Department of Transport
Annual Report
2011-2012

State Government Victoria

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The Department of Transport and its agencies aim to provide a safe and reliable transport system that contributes to a prosperous, inclusive and environmentally responsible state.

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Transmittal letter

5 October 2012

Hon. Terry Mulder MP
Minister for Public Transport
Minister for Roads

Hon. Dr Denis Napthine MP
Minister for Ports

121 Exhibition Street
Melbourne VIC 3000

Dear Ministers

Annual Report 2011-12

In accordance with provisions of the *Financial Management Act 1994*, I have pleasure in submitting for presentation to Parliament the Department of Transport's Annual Report for the year ended 30 June 2012.

In recognition of the commencement of Public Transport Victoria's (PTV) operations on 2 April 2012, as endorsed by the Minister for Finance this annual report constitutes a composite report with PTV.

Yours sincerely

Jim Betts
Secretary
Department of Transport

Abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AEE	annualised employee equivalent
ALCAM	Australian Level Crossing Assessment Model
AO	Order of Australia
ATO	Australian Taxation Office
ATSB	Australian Transport Safety Bureau
AutoCRC	Cooperative Research Centre for Advanced Automotive Research
CAD	Central Activities District
CBD	Central Business District
CD	compact disc
CEO	Chief Executive Officer
CML	CityLink Melbourne Limited
COAG	Council of Australian Governments
CO2 –e	tonnes of Carbon Dioxide equivalent
CNPL	Civic-Nexus Pty Ltd
CRRP	COAG Road Reform Plan
CRS	Cooperative Research Centre
DCCEE	Department of Climate Change and Energy Efficiency
DDA	Disability Discrimination Act 1992
DMS	Drawing Management System
DOT	Department of Transport
DPCD	Department of Planning and Community Development
DSE	Department of Sustainability and Environment
DTF	Department of Treasury and Finance
DWG	designated working groups
EAP	Employee Assistance Program
EDI	Evans Deakins Industries
EO	Executive Officer
FMA	Financial Management Act 1994
FOI	Freedom of Information
FRD	Finance Reporting Direction
FSC	Forest Stewardship Council
FTE	full-time equivalent
GAAP	generally accepted accounting principals
GFS	Government Finance Statistics
GG	general government
GST	Goods and Services Tax
HSRs	Health and Safety Representatives
HVCIR	Heavy Vehicle Charging and Investment Reform
IFRIC	International Financial Reporting Interpretations Committee
IRI	International Roughness Index
IRPs	Issue Resolution Procedures
ISO	International Organisation for Standardisation
KDR	Keolis Downer EDI
m	metre
km	kilometre
LGBTI	lesbian, gay, bisexual, transgender and intersex
LMA	Linking Melbourne Authority
LSL	long service leave

MAV	Municipal Association of Victoria
MJ	mega joule
MP	Member of Parliament
MTM	Metro Trains Melbourne
na	not applicable
NAIDOC	National Aborigines and Islanders Day Observance Committee
NPV	net present value
NSW	New South Wales
OCI	other comprehensive income
OH&S	Occupational Health and Safety
P&OD	People and Organisational Development
PoHDA	Port of Hastings Development Authority
PoMC	Port of Melbourne Corporation
PPP	Public Private Partnership
PSO	protective service officer
PTDA	Public Transport Development Authority
PTV	Public Transport Victoria
QPR	Qualitative Performance Regime
RailCRC	Cooperative Research Centre for Railway Engineering and Technologies
RDR	Reduced Disclosure Requirements
RRL	Regional Rail Link
RRLA	Regional Rail Link Authority
RTW	return to work
SCOTI	Standing Council on Transport and Infrastructure
SCSA	Southern Cross Station Authority
SEATS	South East Australian Transport Strategy
SEC	Secretary
SDA	Services and Development Agreement
SSA	State Services Authority
SSP	Shared Service Provider
TCMS	Train Control and Monitoring System
TIA	Transport Integration Act 2010
TIML	Transurban Infrastructure Management Limited
TISOC	Transport and Infrastructure Senior Officials' Committee
TOPS	Train Operations Performance System
TSC	Taxi Services Commission
TSV	Transport Safety Victoria
TTA	Transport Ticketing Authority
VICERS	Vigilance Control and Event Recording System
VicRoads	Roads Corporation of Victoria
VicTrack	Victorian Rail Track Corporation
VIPP	Victorian Industry Participation Policy
VISTA	Victorian Integrated Survey of Travel and Activity
V/Line	V/Line Passenger Corporation
VPS	Victorian Public Service
VRCSSC	Victorian Railway Crossing Safety Steering Committee
VTD	Victorian Taxi Directorate

Secretary's foreword

I am pleased to present the Annual Financial report for the Department of Transport (DOT) 2011-12.

This year's report includes:

» information on DOT's structure and functions

» a summary of achievements

» audited composite financial statements of DOT and the Public Transport Development Authority (PTDA) and its controlled entity Metlink Victoria Pty Ltd (Metlink). PTDA operates as Public Transport Victoria (PTV)

» output and outcome measures showing how DOT has delivered against its 2011-12 State Budget allocations

» legislation administered including the following major statutes:

- *Transport Integration Act 2010*
- *Major Transport Projects Facilitation Act 2009*
- *Rail Management Act 1996*
- *Marine Safety Act 2010*

» statements of compliance with relevant legislation.

I would like to thank the people of DOT who have worked hard throughout the year to deliver a safe and reliable transport system that contributes to a prosperous, inclusive and environmentally responsible State.

Jim Betts
Secretary
Department of Transport

Changes to transport agencies

The continued role of DOT

The creation of Public Transport Victoria led to the transfer of departmental resources and functions and some minor changes to DOT's statutory charter.

The changes reflect an emphasis on strategy, planning and regulation for Victoria's transport system, and the portfolio as a whole.

DOT has responsibility under statute to:

- ensure that a transport system is provided consistent with the vision statement and the transport system objectives set out in the Transport Integration Act
- determine strategic policies which specify priorities for the transport system that address current and future challenges
- ensure in collaboration with transport bodies and other bodies that policies and plans for an integrated and sustainable transport system are developed, aligned and implemented
- support the portfolio Ministers and Government.

DOT's functions are detailed in section 33 of the Transport Integration Act. They include:

- be the lead in all of the strategic policy, advice and legislation functions relating to the transport system and related matters other than road safety
- coordinate the development of regulatory policy and legislation advice relating to the transport system and related matters
- lead in the improvement of the transport system, including in the procurement, development, construction and commissioning of new transport infrastructure and services
- establish a medium and long term planning framework for all forms of transport for the delivery of an integrated transport system
- provide independent advice to the Minister in relation to proposals and initiatives of other transport bodies
- develop strategies, plans, standards, performance indicators, programs and projects relating to the transport system and related matters
- seek to ensure, in collaboration with PTV, VicRoads and municipal councils, that access to road and rail is balanced in a manner which is consistent with Government policies and strategies for public transport and freight
- develop and issue guidelines with respect to the implementation and operation of the Transport Integration Act
- coordinate corporate planning and budgets so as to assist transport bodies with the development, alignment, implementation and monitoring of their corporate plans and budgets
- undertake operational activities including transport system operations, asset management and project management
- collect transport data and undertake research into the transport system to support the functions specified in the Transport Integration Act
- provide corporate, financial management, property and other specialist services to transport bodies
- provide assistance to public entities and private bodies to construct or improve transport facilities and to provide services ancillary to those facilities
- carry out efficiently and effectively any contract entered into by the Minister on behalf of the Crown
- seek to represent transport interests in liaising with other Victorian, Commonwealth and other jurisdiction's departments and agencies, including in relation to regulatory reform and funding
- support the Secretary in carrying out any enforcement functions conferred on the Secretary, including public transport infringements and prosecutions.

DOT is working in partnership with the Department of Planning and Community Development to deliver a metropolitan planning strategy and is formulating the transport elements of the plan, integrating modes of transport as well as strategic approaches to transport and land use planning.

DOT currently retains responsibility for the Victorian Taxi Directorate (VTD) which regulates the State's taxi, hire car and driving instructor industries.

The independent Victorian Taxi Industry Inquiry, being conducted by Professor Allan Fels AO, is a comprehensive investigation into all aspects of the taxi and hire car industry. The Inquiry commenced in May 2011. It is expected to lead to a number of recommendations for major reform to the regulation of the sector for Government consideration in 2012, including the VTD's transition to the Taxi Services Commission.

Once the Taxi Services Commission is established as the regulator of the taxi and hire car industry later in 2012, the Secretary's role in relation to the operational and on the ground regulation of that sector will shift to the Commission. DOT will retain overall responsibility for strategy, policy and development of legislation for that and other transport sectors.

The establishment of Public Transport Victoria

Legislation to establish the PTDA under the Transport Integration Act passed through the Victorian Parliament in November 2011. The new authority, trading as Public Transport Victoria (PTV), began operations on 2 April 2012.

PTV's statutory object and functions gives it the clear direction to act as the public face of public transport in Victoria and to:

- coordinate trams, trains and buses
- facilitate expansions to the network
- audit public transport assets
- promote public transport as an alternative to the car
- advocate for public transport users.

The Government allocated $10 million over four years ($2.5 million per year) in the 2011-12 State Budget to establish the PTDA. The 2011-12 budget was allocated to transitional activities such as transferring contracts from DOT to the PTDA, procuring the successful transition of Metlink's operations to the PTDA (including winding up Metlink as a legal entity), information technology changes, limited rebranding and accommodation redesign.

Ian Dobbs was appointed as the inaugural Chair and CEO of PTV with Douglas Bartley and Michael Taylor AO being appointed to the board.

Prior to PTV assuming responsibility for the public transport system, significant performance improvements were achieved. Punctuality across all services improved and customer satisfaction across metropolitan services also improved.

PTV is building on these achievements and will deliver continued performance improvements across the public transport system.

Establishment of the Port of Hastings Development Authority

Throughout 2011, DOT managed the development of this policy into enabling legislation to deliver on the establishment of an independent Port of Hastings Development Authority (PoHDA). PoHDA is responsible for facilitating development of the port of Hastings. PoHDA has the primary object to increase capacity and competition in the container ports sector servicing Melbourne and Victoria, and:

- manage and operate the port of Hastings
- facilitate the timely development of the port of Hastings as a viable, complimentary and competitive alternative to the port of Melbourne in order to increase capacity and competition in the container ports sector to manage the expected growth in trade.

The PoHDA began operating on 1 January 2012.

DOT and PTV achievements against priorities

Priority 1: Improving transport services

New metropolitan train timetables

» an additional 353 weekly services provided under the 22 April 2012 timetable changes

» major upgrade to weekend and public holiday services on Melbourne's three most popular train corridors

» trains every 10 minutes to Ringwood, Dandenong and Frankston for much of the day

» weekday peak-time trains every eight minutes on the South Morang line

» 70 extra weekly trips added to the South Morang and Hurstbridge lines

» takes advantage of the recently delivered 38 new X'Trapolis trains.

Public transport coordination

» changes to 140 Melbourne bus routes to provide improved services

» better co-ordination between train and bus travel to improve connections

» bus Route 601 introduced as a trial service running express between Huntingdale Station and Monash University every four minutes during university semester time – now carrying up to 22,000 passengers a week.

Improved public transport network performance

» punctuality generally improved over the past year

» punctuality for the 12 months to June:

- improved significantly from 85.4 per cent in 2011 to 89.9 per cent in 2012 for metropolitan train services
- improved slightly from 81.4 per cent in 2011 to 81.7 per cent in 2012 for tram services
- improved from 83.8 per cent in 2011 to 86.3 per cent in 2012 for regional train services
- train cancellations have increased marginally over the same period.

Cardinia Road railway station

» Cardinia Road railway station on the Pakenham line opened on 22 April 2012

» all off peak services currently stop at Cardinia Road, with trains stopping every 20 minutes in peak times.

Lynbrook railway station

» Lynbrook railway station on the Cranbourne line opened on 22 April 2012

» peak services stop every 15 minutes during peak times, and every 30 minutes at off-peak times every weekday.

Williams Landing project

» construction commenced on new premium railway station on the Werribee line between Aircraft and Hoppers Crossing railway stations

» Palmers Road also to be extended across the rail line to link the station and Williams Landing town centre with the Princes Freeway and Point Cook

» being delivered as a partnership between DOT, VicRoads and Metro Trains Melbourne.

Ringwood Station

» developed revised conceptual designs for the railway station and intermodal interchange, taking into consideration integration with central Ringwood.

Trains return to Clunes

» daily return train to Melbourne via Ballarat from December 2011

» new platform and shelter

» car park works – new asphalt and 22 parking spaces concrete footpaths and landscaping

» bus stop, taxi bay and two drop-off bays

» upgrade of the Boundary St level crossing from stop signs to boom barriers.

Tourist and Heritage Railways Act 2010

» The *Tourist and Heritage Railways Act 2010* and the *Tourist and Heritage Railways Regulations 2011* – Victoria's first dedicated statutory scheme for tourist and heritage railways in 30 years – came into effect on 1 October 2011. The Act establishes a contemporary regulatory framework designed to promote the long-term viability of tourist and heritage railways in Victoria. It has attracted local and international interest.

» Both the Act and the Regulations were developed following a comprehensive review of the sector in close consultation with tourist and heritage rail operators.

DOT and PTV achievements against priorities (continued)

Port of Melbourne Corporation licence fee scheme

The *Port Management Amendment (Port of Melbourne Corporation Licence Fee) Act 2012* received Royal Assent on 6 March 2012. The Act will commence on 1 July 2012. It replaced the previous government's proposed freight infrastructure charge with a simpler and more efficient licence fee scheme.

The Act imposes an annual licence fee on the Port of Melbourne Corporation (PoMC) and is an important state revenue initiative.

Specifically, the Act:

» imposes the licence fee on POMC

» sets the fee at $75 million in the first year

» indexes the fee to increase annually in line with the consumer price index

» levies the fee on PoMC in quarterly instalments

» requires the Minister to publish an annual notice of the licence fee in the Victorian Government Gazette

» applies the fee annually from 1 July 2012.

Priority 2: Increasing safety on the transport system

Improving public transport safety

The *Transport Legislation Amendment (Public Transport Safety) Act 2011* commenced on 5 October 2011. It introduced a range of practical measures aimed at improving public transport safety outcomes in Victoria. The Act:

» aligned safety management requirements for rail operators with national provisions

» clarified the application of rail safety duties during loading and unloading operations

» made two changes to the *Bus Safety Act 2009* to reduce the regulatory burden on bus operators

» tightened government scrutiny and oversight of the management of authorised officers by public transport operators (in response to recommendations by the Victorian Ombudsman).

Safer shipping and boating

The new Marine Safety Act and Marine Safety Regulations 2012 commenced on 1 July 2012 after an extensive public consultation program stretching across 26 locations in Victoria including Melbourne and regional centres. The Act and Regulations modernise and strengthen Victoria's marine safety laws giving Victoria the most modern suite of marine legislation in Australia. Collectively the changes comprise the most significant reform in the regulation of recreational and commercial boating in Victoria in 24 years.

The Act seeks to improve safety on Victorian waters by:

» introducing tougher penalties for those who flout rules and put safety at risk

» giving additional enforcement tools to enforcement agencies to address widespread non-compliance with waterway rules

» improving the framework to ensure vessels are fit for purpose and so those who operate them have the skills to do so safely

» setting out accountabilities for all parties who have responsibility for marine safety

» introducing broader testing powers for drugs and alcohol.

Protective services officers

DOT worked with the Department of Justice to develop regulations and supporting documentation to give effect to the scheme to deploy protective services officers (PSOs) at railway stations to maintain safety pursuant to the government's election platform. Changes were made to the *Transport (Conduct) Regulations 2005* and the *Transport (Ticketing) Regulations 2006* so that PSOs could enforce public transport conduct, property, parking and ticketing offences on and in the vicinity of railway stations.

National commercial vessel scheme

DOT is working with other jurisdictions to implement the national commercial vessel scheme pursuant to a Intergovernmental Agreement dated 19 August 2011. It is expected that the Australian Maritime Safety Authority will commence as the national regulator in early 2013.

The day-to-day regulation of the commercial vessel section will be managed by Transport Safety Victoria (TSV) by a service level agreement with the national regulator.

National rail safety regulator and investigator

DOT is working with the Australian Government and other states and territories to implement the national rail safety regulator and national rail safety investigator following the Intergovernmental Agreement on Rail Safety Regulation and Investigation signed by first Ministers on 19 August 2011. It is expected that the national regulator and investigator will commence by early 2013.

TSV will continue to perform regulatory functions locally in accordance with a service level agreement with the national regulator.

The national investigator involves expanding the scope of rail incidents that the Australian Transport Safety Bureau (ATSB) may investigate. This will involve a cooperative resource sharing arrangement in Victoria between the ATSB and the Victorian Office of the Chief Investigator, Transport Safety.

Priority 3: Increasing transport system capacity, efficiency and resilience

South Morang rail extension project

» new premium railway station with integrated public transport services, parking for 450 cars, a safe drop-off area, taxi rank, a bus interchange and bike cages

» services commenced on 22 April 2012

» five kilometres of rail line duplicated from Keon Park to Epping

» 3.5 kilometre extension of rail line to South Morang

» Epping railway station relocated and modernised and a new railway station built at Thomastown

» shared use path along the extended train line, connecting the new station with the existing bicycle network.

Hurstbridge rail upgrade

» project to reconfigure Eltham stabling yards to add two extra stabling tracks, upgrade 15 kilometres of signalling between Greensborough and Hurstbridge railway stations, build a new section of track to allow trains to enter and exit the stabling yard and construct a new substation to provide additional power supply

» main construction works now underway

» work commenced on upgrading signalling between Greensborough and Hurstbridge railway stations

» works to reconfigure the Eltham stabling yards to add two extra stabling tracks commenced

» earthworks on the new substation in Montmorency has commenced.

Regional Rail Link

» all six major construction contracts for the project awarded after an intensive planning and procurement phase

» RRLA project team, in conjunction with other DOT agencies, successfully coordinated a temporary shutdown of the Sydenham, Ballarat and Bendigo lines over the July 2011 school holidays to carry out early works

» further successful shutdowns followed including over Easter 2012 and the Queen's Birthday long weekend in June 2012

» start of major construction celebrated in June 2012, with Prime Minister Julia Gillard, Premier Ted Baillieu, and Minister for Public Transport Terry Mulder turning the first sod on the project

» completion of significant construction works in the Southern Cross work package including the Dudley Street bridge.

Sunbury electrification project

» electrification of the rail line from Watergardens to Sunbury

» metropolitan trains to run to and from Sunbury – carrying more than double the number of passengers than V/Line trains.

Craigieburn maintenance facility

» maintenance and stabling facility opened in April and is now running 24 hours a day

» includes a wash plant, stabling and improved maintenance facilities

» created 120 jobs.

Maintaining our rail network

» $25 million boost in 2011–12 ($100 million over four years, 2011–12 to 2014–15) in a significantly enhanced maintenance and renewal program

» works across the train and tram networks include new concrete sleepers, new overhead wires, new and upgraded sub-stations to power more train services, and major train and tram track upgrades.

Tram procurement program

» purchase of 50 new low-floor trams between 2012–2017; manufacture of body shells and assembly of all 50 new trams to take place at Bombardier's Dandenong factory

» development work commenced on upgrades to Route 96, the first route the new trams will operate on

» work commenced on redevelopment of Southbank depot, where the new trams will be stored and maintained, with redevelopment of the Preston workshop also planned

» power upgrades and accessibility improvements to other low-floor tram routes will be undertaken.

Priority 4: Improving corporate governance and capability

Creating Public Transport Victoria

The *Transport Legislation Amendment (Public Transport Development Authority) Act 2011* created PTV to administer Victoria's train, tram and bus services. The Act was passed by Parliament in late 2011 and commenced in stages with the formal establishment of PTV occurring on 15 December 2011. Transfer of the majority of functions and powers from the Director of Public Transport and responsibility for the operation and management of the public transport system, including the administration of contracts with the metropolitan train and tram franchisees, V/Line and bus operators, occurred on 2 April 2012.

Creating Taxi Services Commission

- The *Transport Legislation Amendment (Taxi Services Reform and Other Matters) Act 2011* establishes the Taxi Services Commission as the key first step in a process of major reform of Victoria's commercial passenger vehicle industry. The Act is commencing in stages, with the first phase having commenced in July 2011.
- In the initial phase of the reform process, the Act provides the legislative basis and powers for the Taxi Industry Inquiry chaired by Professor Allan Fels into the structure, conduct, performance and regulation of the taxi and hire car industry in Victoria.
- In the second phase of the reform process, the Act provides for the Commission to become the industry regulator for the taxi and hire car sector. The Commission is established alongside PTV and VicRoads as a transport system agency under the Transport Integration Act and is expected to commence as the industry regulator in late 2012.

Port of Hastings Development Authority established

- a new state-owned enterprise established through the *Transport Legislation Amendment (Port of Hastings Development Authority) Bill 2011* under the Transport Integration Act
- commenced on 1 January 2012 and is responsible for facilitating development of the Port of Hastings to increase capacity and competition in the container ports sector servicing Melbourne and Victoria.

Priority 5: Undertaking planning to address current transport deficiencies and provide for future transport demand

Melbourne Metro

Melbourne Metro is a critical city-shaping project that will create the capacity needed to expand the rail network and increase services to Melbourne's growth areas in the north, west and south east. It was a key priority in the Victorian Government's submission to Infrastructure Australia in 2011.

Value engineering works were completed and the business case updated to reflect the Victorian Government's improved scope of works, linking from South Kensington to south of South Yarra as a single-stage project to deliver benefits sooner and more cost-effectively.

East West Link

- progressed development of a business case and scoping project for an 18km urban freeway and freight link connecting the Eastern Freeway to the Western Ring Road
- geotechnical drilling at Alexandra Parade in Clifton Hill commenced.

Doncaster rail study

- key milestone achieved with the identification of three corridor themes to be filtered to a shortlist of options ahead of the final recommendations report.

Avalon Airport rail link

- investigation work commenced, involving extensive community consultation and multiple studies to evaluate route options.

Melbourne Airport rail link

- investigation studies for route options has commenced
- working collaboratively with the Australian Government's High Speed Rail study to ensure both corridors are integrated.

Rowville rail study

- stage 1 draft report for community feedback released on the 9 March 2012 – a culmination of a series of investigations providing the most comprehensive analysis ever undertaken into building a rail line to Rowville.

Rail Revival: Geelong, Ballarat, Bendigo

- progressed development of numerous investigations in understanding the scope of returning passenger services between these regional centres.

PoMC Port Capacity Project approved

- value of the works to be undertaken together with additional investment by the private sector estimated to be in the order of $1.6 billion dollars – fully funded by PoMC with private sector contributions
- redevelopment of Webb Dock as an international container facility capable of handling the equivalent of at least one million twenty foot equivalent containers per annum
- other works around the Webb Dock precinct to include additional screening and landscaping, dock deepening, provision for on-site empty container stacking at Webb Dock and construction of noise walls
- improved capacity handling at Swanson Dock, through a range of works including reconfiguring internal road linkages
- expansion and consolidation of car import export trade at Webb Dock west including construction of 920 square metres of new wharves.

Department
of Transport

Transport portfolios

Ministerial Portfolios

DOT supports two portfolios:

- Minister for Public Transport and Roads, Hon. Terry Mulder MP
- Minister for Ports, Hon. Dr Denis Napthine MP

It also supports one Parliamentary Secretary:

- Parliamentary Secretary for Transport, Mr Edward O'Donohue MLC

Public Transport and Roads Portfolio

The Public Transport portfolio oversees Victoria's extensive public transport system.

The Public Transport portfolio includes:

- contract and lease arrangements for train, tram, route bus, school bus services and infrastructure
- regulation of the taxi industry
- regulation of public transport safety
- accessible transport services and facilities
- management of large and complex transport infrastructure projects.

Statutory authorities

- Public Transport Ticketing Body (Transport Ticketing Authority – TTA)
- V/Line Passenger Corporation (V/Line)
- Victorian Rail Track Corporation (VicTrack)
- Public Transport Victoria (PTV) from 2 April 2012.

The Roads portfolio oversees the development and integration of Victoria's extensive road network.

The Roads portfolio includes:

- maintaining and enhancing Victoria's arterial road network
- improving safety for all road users
- supporting Australia's freight and logistics industries
- encouraging alternative transport modes including walking and cycling.

Statutory authorities

- Roads Corporation of Victoria (VicRoads)
- Linking Melbourne Authority (LMA).

Hon. Terry Mulder MP
Minister for Public Transport
Minister for Roads

Portfolio responsibilities

As Minister for Public Transport, Mr Mulder oversees the effective delivery and management of Victoria's public transport services.

As Minister for Roads, Mr Mulder oversees Victoria's extensive roads network and road safety initiatives.

The Minister for Public Transport and Roads is the Victorian representative on the Standing Council on Transport and Infrastructure (SCoTI), the peak body that coordinates and integrates national transport and road policy issues for Commonwealth, State, Territory and New Zealand governments.

Ports portfolio

The Ports portfolio oversees the strategic planning and development of Victoria's four major commercial ports. It also provides support to a network of 14 local ports and enhances facilities and safety for recreational boating.

Statutory authorities:

- Port of Melbourne Corporation (PoMC)
- Port of Hastings Development Authority (PoHDA)
- Victorian Regional Channels Authority.

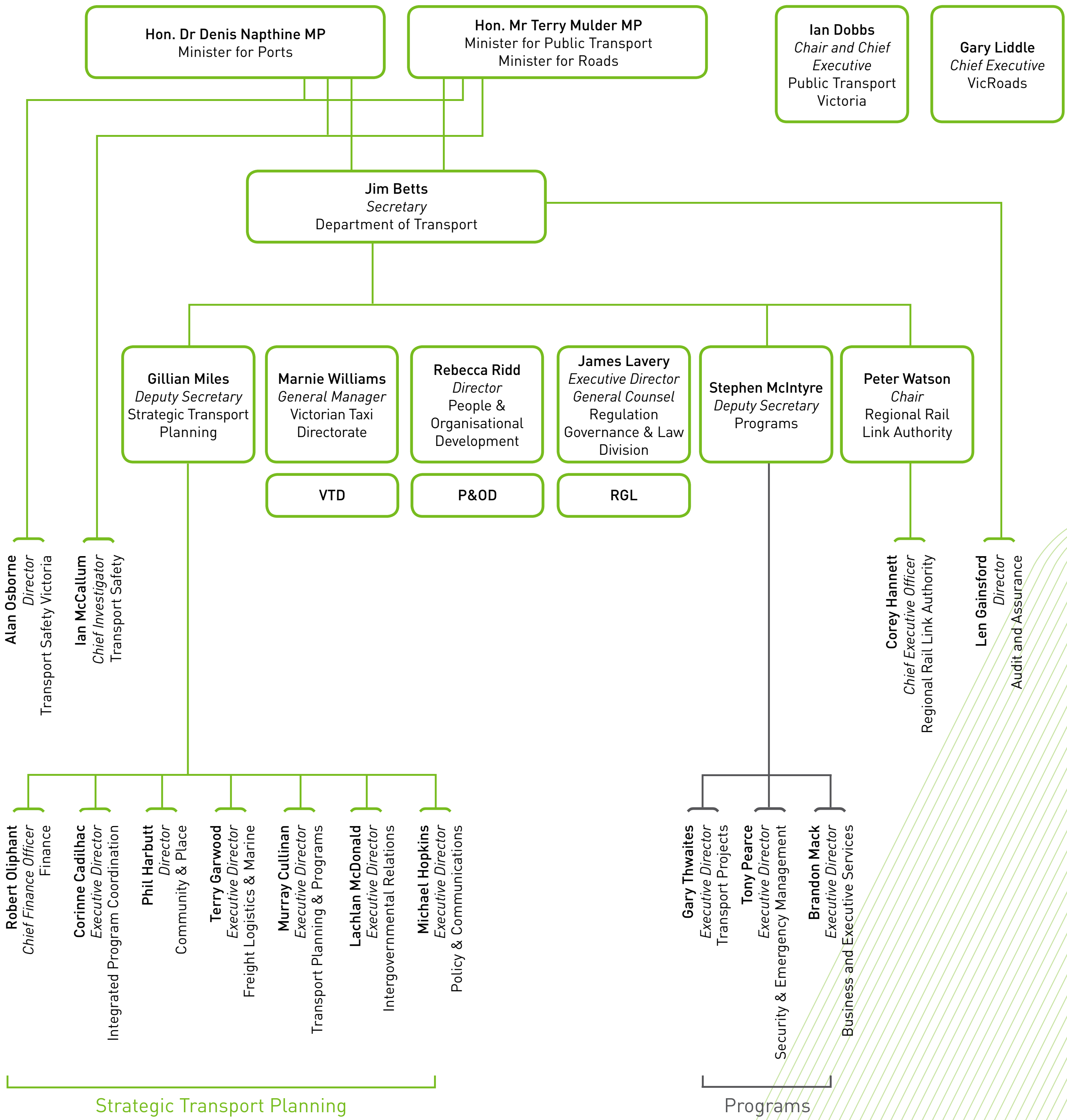
Hon. Dr Denis Napthine MP
Minister for Ports

As Minister for Ports, Dr Napthine oversees the development and integration of Victoria's world-class commercial ports to support statewide economic growth. As Minister he is also responsible for ensuring effective integration between the ports and the freight and logistics sector and has responsibility for Victoria's 14 local ports.

Mr Edward O'Donohue MLC
Parliamentary Secretary for Transport

Organisational structure

Department of Transport organisational structure as at 30 June 2012



2011-12 Annual Financial Report Chief Finance Officer's Statement

The Department's Group 2011-12 financial statements are a composite report that incorporates the Department of Transport (DOT) and Public Transport Victoria (PTV) and its controlled entity, Metlink Victoria Pty Ltd (Metlink).

The preparation of the composite report was a result of PTV commencing full operations and formally assuming the functions and powers from DOT on 2 April 2012. This restructure involved the transfer of relevant employees, assets of $1,421 million and liabilities of $915 million from DOT to PTV on 2 April 2012. The Minister for Finance approved the preparation of the composite report so that PTV does not need to prepare separate annual financial statements for the three months of the 2011-12 reporting period.

The Group 2011-12 net result was a deficit of $91.4 million compared with DOT's surplus of $70.2 million in 2010-11. This deficit is primarily due to the expensing by DOT for asset transfers to other public sector entities that would normally have been recognised as contributed capital. For the 2011-12 reporting period, DOT had insufficient contributed capital to meet all the asset transfers that would have otherwise qualified for recognition as a contributed capital transaction. Consequently, the asset transfers where there was insufficient contributed capital for distribution are recognised as an expense by DOT and income by the transferee entities (refer to note 3(ii), 3(v), 3(vi), 6(e), 28(i) and 28(iii) to the financial statements for the affected transfers).

The Group total operating expenses in 2011-12 was $6.1 billion. The majority of the Department's expenditure was for payments to transport services providers including $1.6 billion for rail system operations and services, $1.3 billion for the Government's capital assets charge for rail infrastructure, $1.5 billion for road and $0.9 billion for bus services. Additionally, the Group provided $0.2 billion of assets and services free of charge to its portfolio entities.

Note 2 of the financial statements details the Group's expenditure on outputs delivered. These outputs include Transport Safety and Security, Public Transport Services, and Integrated Transport Planning, Delivery and Management. The operating statement includes revenue received by DOT as payments for outputs delivered. The delivery of DOT's outputs is measured against agreed output targets and the Treasurer certifies revenue based on the level of performance. In 2011-12, DOT managed its outputs within its available resources.

The Group's capital expenditure for 2011-12 was approximately $1.8 billion on major projects such as Regional Rail Link, South Morang Rail Extension, Sunbury Electrification, growth area stations at Caroline Springs, Cardinia, Lynbrook and Williams Landing and the procurement of new train and tram rolling stock. Payments were also made to VicRoads for road construction projects, including the M80 Ring Road upgrade and payments made to the Transport Ticketing Authority for the ticketing myki system.

Rail assets created by the Group's capital expenditure are transferred by way of equity (refer to note 20) to VicTrack as the entity responsible for reporting the State's rail infrastructure network. Similarly, assets created by DOT's funding of road programs will be reflected in the accounts of VicRoads. As such these assets are not included in the assets figure in the table below.

The financial statements presented later in this report are prepared in accordance with the *Financial Management Act 1994* and applicable Australian accounting standards. The financial statements relate specifically to the operations of DOT, PTV and include the operations of the Director Public Transport, Director of Transport Safety, Chief Investigator Transport Safety and the Regional Rail Link Authority.

All other agencies and corporations are separate reporting entities and therefore prepare their own annual reports (including audited financial statements).

The table below shows the financial results for the last six years in the revised format.

INCOME FROM TRANSACTIONS	2012 Group* $M	2011 $m	2010 $m	2009 $m	2008 $m	2007 $m
» Output appropriations	**5,175.0**	4,756.0	4,461.5	3,961.4	3,994.0	3,705.3
» Other revenue	**812.0**	760.4	527.0	296.5	335.9	305.3
Total income from transactions	**5,987.0**	5,516.4	4,988.5	4,257.9	4,329.9	4,010.6
Total expenses from transactions	**(6,076.6)**	(5,446.2)	(4,956.7)	(4,137.3)	(4,087.4)	(4,317.3)
Net result from transactions	**(89.6)**	70.2	31.8	120.6	242.5	(306.7)
Total other economic flows included in net results	**(1.8)**	0	(21.7)	(4.2)	(37.1)	(23.4)
Net results	**(91.4)**	70.2	10.1	116.4	205.4	(330.1)
Total assets	**2,851.4**	2,708.7	2,573.1	1,331.6	1,641.7	1,388.2
Total liabilities	**(1,737.3)**	(1,513.2)	(1,431.3)	(781.0)	(1,014.2)	(989.2)
Net assets	**1,114.1**	1,195.5	1,141.8	550.6	627.5	399.0

** For 2012, the 'Group' figures relate to the financial information of DOT and PTV. The previous years of 2007-2011 relate to financial information for DOT only.*

Victorian Railway Crossing Safety Steering Committee:

Annual Report

Victorian Railway Crossing Safety Steering Committee

The Victorian Railway Crossing Safety Steering Committee (VRCSSC) was established in 2005 to advise and make recommendations to the Minister for Public Transport on the policy directions, management and standards for road and pedestrian crossings in Victoria.

The committee is chaired by PTV with representatives from VicTrack, Victoria Police, VicRoads, V/Line and the Municipal Association of Victoria (MAV).

The following four sub-groups work on behalf of the committee:

» Railway Crossing Program Delivery Group

» Railway Crossing Technical Group

» Railway Crossing Human Factors group

» Railway Safety Awareness Group

Towards Zero Level Crossing Safety Action Plan

» There were two road level crossing motor vehicle/train crash fatalities in Victoria during 2011-2012:

- Charman Road, Cheltenham on 16 March 2012
- Cherry Street, Werribee on 25 May 2012.

» Prior to the Charman Road collision the previous fatal motor vehicle collision was on 15 July 2009.

» Four pedestrians were killed in separate accidental fatal level crossing collisions:

- McKinnon on 29 September 2011
- Stawell on 9 August 2011
- Ginifer Station, St Albans on 10 October 2011
- St Albans Station, St Albans on 24 January 2012.

Level Crossing Upgrade Programs

Level crossings were upgraded under the following funding initiatives:

- Statewide Upgrade Program
  - 10 road level crossings were upgraded to active boom barrier controls
  - three pedestrian crossings were upgraded to automatic gates
  - eight pedestrian level crossings were upgraded to Disability *Discrimination Act 1992* (cth) compliance
- Fix Country Crossings program
  - 18 road level crossings were upgraded to active boom barrier controls
- Two road crossings were closed as part of these programs.

Railway Crossing Technical Group

The Railway Crossing Technical Group is involved in supporting the following projects:

- Dedicated Short Range Communications Trial Project
  - A Cooperative Research Centre for Advanced Automotive Research (AutoCRC) Research project undertaken by La Trobe University and Queensland University of Technology is investigating the application of new in-vehicle collision warning technology to improve railway crossing safety.
  - Successful trials of the technology were carried out at one country and two metropolitan level crossings and the $5.5m project is expected to be completed by the end of July 2012.
- Affordable Level Crossing Technologies
  - A RailCRC project to trial a number of lower cost level crossing warning devices at sites in country Victoria, New South Wales and Queensland.
  - The selection of suppliers has been completed with trials to commence in the second half of 2012.
- Australian Level Crossing Assessment Model (ALCAM)
  - The second round of ALCAM risk identification surveys used to rank railway crossing upgrade priorities for the Level Crossing Upgrade Programs has been completed for all country crossings, with metropolitan crossings to be completed in the second half of 2013.

Railway Crossing Human Factors Group

The Human Factors Group provides support and advice to the Steering Committee on how behavioural issues can influence safety at railway level crossings.

A major activity of the group was the coordination of the Monash University Accident Research Centre project to investigate the application of contemporary systems-based methods to reduce trauma at rail level crossings to better understand the behaviour of level crossing users.

Safety Awareness Group

The Safety Awareness Group provides a forum for rail operators to coordinate safety awareness campaigns.

The group is investigating the purchase of television safety campaigns for use in Victoria.

External enquiries

- Level crossing crashes are investigated by various parties including the State Coroner Victoria, Office of the Chief Investigator – Transport Safety, and the ATSB who make recommendations on safety issues and improvements.
- Responses to these recommendations are monitored by PTV to ensure that actions are taken to address the issues raised.
- The Coroner has heard evidence on the following fatal level crossing collisions:
  - Kerang (June 2007)
  - Edithvale (July 2009)
  - Tyabb (January 2008)

No findings have yet been released on these matters.

Financial statements

Contents

These financial statements for the year ended 30 June 2012 include the Department of Transport combined with the Public Transport Development Authority (operating as Public Transport Victoria) and Metlink Victoria Pty Ltd. In addition, the following administrative office and statutory appointments are included:

- The Director of Public Transport (statutory appointment)
- The Director, Transport Safety (Safety Director) (statutory appointment)
- Chief Investigator, Transport Safety (statutory appointment)
- Regional Rail Link Authority (administrative office)

The Department of Transport is a government department of the State of Victoria. Public Transport Victoria is a statutory authority established on 15 December 2011 commencing full operations on 2 April 2012. Metlink Victoria Pty Ltd was acquired by Public Transport Victoria on 2 April 2012 and is consolidated into these accounts. For this financial year only, the results and operations of all three entities are combined in a single financial report.

A description of the nature of the Department's operations, its principal activities and the reporting arrangements to combine Public Transport Victoria and Metlink Victoria Pty Ltd are included in the report of operations.

For queries in relation to these financial statements please call 9655 6666, or visit www.transport.vic.gov.au

Accountable Officer's and Chief Finance and Accounting Officer's Declaration

Department of Transport and Public Transport Development Authority

Accountable Officers' and Chief Finance and Accounting Officers' Declaration

Department of Transport

We certify, while placing reliance on the certification below, that the attached financial statements for the Department of Transport and the Public Transport Development Authority and its subsidiary Metlink Victoria Pty Ltd, have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion and in reliance on the certification below, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and financial position of the Department of Transport and the Public Transport Development Authority and its subsidiary Metlink Victoria Pty Ltd as at 30 June 2012.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 20 September 2012.

Gillian Miles
Acting Secretary/Accountable Officer
Department of Transport

20 September 2012
Melbourne

Robert Oliphant
Chief Finance and Accounting Officer
Department of Transport

20 September 2012
Melbourne

Public Transport Development Authority

Financial information relating to the Public Transport Development Authority, operating as Public Transport Victoria (PTV) and its subsidiary Metlink Victoria Pty Ltd, is included in the financial statements as at 30 June 2012. In particular Note 28 of these statements includes specific financial information on the performance and position of PTV, which was created on 15 December 2011 and commenced full operations on the 2 April 2012 when it acquired Metlink Victoria Pty Ltd.

We certify that the information relating to PTV and its subsidiary Metlink Victoria Pty Ltd in the attached financial statements has been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards and other mandatory professional reporting requirements.

We further state that, in our opinion, the information in relation to PTV and its subsidiary Metlink Victoria Pty Ltd set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements presents fairly the financial transactions for the period ended 30 June 2012 and the financial position as at that date.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 20 September 2012.

Ian Dobbs
Chair and Chief Executive/Accountable Officer
Public Transport Victoria

20 September 2012
Melbourne

Fred Cilia
Director Finance
Public Transport Victoria

20 September 2012
Melbourne

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Secretary of the Department of Transport and the Members of the Public Transport Development Authority

The Financial Report

The accompanying financial report for the period ended 30 June 2012 of the Department of Transport and the Public Transport Development Authority, prepared pursuant to Section 53 (1) (b) of the *Financial Management Act 1994*, which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the accountable officers' and chief finance and accounting officers' declaration has been audited.

The Secretary's and the Board Member's Responsibility for the Financial Report

The Secretary of the Department of Transport and the Board Members of the Public Transport Development Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Secretary and the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entities' preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities' internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Secretary and the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditing in the Public Interest

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act* 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Department of Transport and the Public Transport Development Authority as at 30 June 2012 and their financial performance and cash flows for the period then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994.*

Emphasis of Matter

Without modification to the opinion expressed above, attention is drawn to the following matter. As indicated in note 1 (c) to the financial report of the Department of Transport and the Public Transport Development Authority, the financial report has been prepared prepared pursuant to Section 53 (1) (b) of the *Financial Management Act 1994,* and presents the composite financial results and financial positions of the two entities as a single reporting entity.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Department of Transport and the Public Transport Development Authority for the period ended 30 June 2012 included both in the annual report and on their website. The Secretary and the Board Members are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
20 September 2012

D D R Pearson
Auditor-General

Comprehensive operating statement for the financial year ended 30 June 2012

	Note	2012 Group $'000	2011 $'000
INCOME FROM TRANSACTIONS			
Output appropriations	4(a)	5,175,047	4,756,022
Special appropriations	4(b)	1,570	1,138
Sale of transport services	5(a)	609,138	577,532
Grants and other income transfers	5(b)	190,459	153,646
Interest		3,447	2,383
Fair value of assets and services received free of charge		49	544
Other income	5(c)	7,265	25,145
Total income from transactions		**5,986,975**	**5,516,410**
EXPENSES FROM TRANSACTIONS			
Payments to service providers and transport agencies	6(a)	(5,480,999)	(5,061,880)
Supplies and services	6(b)	(197,899)	(174,372)
Fair value of assets and services provided free of charge	6(e)	(180,242)	(417)
Employee expenses	6(c)	(120,245)	(114,922)
Depreciation and amortisation	6(d)	(34,703)	(33,779)
Interest expense		(32,578)	(32,324)
Capital asset charge	1(h)	(29,888)	(28,556)
Total expenses from transactions		**(6,076,554)**	**(5,446,250)**
Net result from transactions (net operating balance)		**(89,579)**	**70,160**
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT			
Net gains/(losses) on non-financial assets	7(a)	(206)	(100)
Other gains/(losses) from other economic flows	7(b)	(1,642)	104
Total other economic flows included in net result		**(1,848)**	**4**
Net result		**(91,427)**	**70,164**
OTHER ECONOMIC FLOWS – OTHER NON-OWNER CHANGES IN EQUITY			
Changes in physical asset revaluation reserve	20(c)	25,711	(5)
Total other economic flows – other non-owner changes in equity		**25,711**	**(5)**
Comprehensive result		**(65,716)**	**70,159**

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Balance sheet as at 30 June 2012

	Note	2012 Group $'000	2011 $'000
ASSETS			
Financial assets			
Cash and deposits	18(a)	813,400	678,861
Receivables	8	717,668	579,228
Total financial assets		**1,531,068**	**1,258,089**
Non-financial assets			
Prepayments		11,730	4,435
Inventories		162	–
Property, plant and equipment	9	1,275,730	1,411,630
Intangible assets	10	32,691	34,593
Total non-financial assets		**1,320,313**	**1,450,658**
Total assets		**2,851,381**	**2,708,747**
LIABILITIES			
Payables	11	1,017,762	826,897
Borrowings	12	401,483	400,930
Provisions	13	318,004	285,383
Total liabilities		**1,737,249**	**1,513,210**
Net assets		**1,114,132**	**1,195,537**
EQUITY			
Contributed capital	20(a)	383,600	399,289
Accumulated surplus/(deficit)	20(b)	703,968	432,185
Physical asset revaluation surplus	20(c)	26,564	364,063
Net worth		**1,114,132**	**1,195,537**
Commitments for expenditure	15		
Contingent assets	16		
Contingent liabilities	16		

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of changes in equity for the financial year ended 30 June 2012

	Note	Contributions by Owner $'000	Accumulated Surplus $'000	Physical Asset Revaluation Surplus $'000	Total $'000
Balance at 1 July 2010		**415,765**	**362,021**	**364,068**	**1,141,854**
Net result for the year	20(b)	–	70,164	–	70,164
Other comprehensive income for the year	20(c)	–	–	(5)	(5)
Transfer to accumulated surplus	20(c)	–	–	–	–
Capital appropriations	20(a)	1,610,467	–	–	1,610,467
Capital contributions to agencies within the transport portfolio	20(a)	(1,641,174)	–	–	(1,641,174)
Capital contribution from administrative restructure – net assets received	3(viii),(ix)	14,231	–	–	14,231
Capital contribution from administrative restructure – net assets transferred		–	–	–	–
Balance at 30 June 2011		**399,289**	**432,185**	**364,063**	**1,195,537**
Net result for the year	20(b)	–	(91,427)	–	(91,427)
Other comprehensive income for the year	20(c)	–	–	25,711	25,711
Transfer to accumulated surplus	20(b),(c)	–	363,210	(363,210)	–
Capital appropriations	4, 20(a)	1,728,873	–	–	1,728,873
Capital contributions to agencies within the transport portfolio	20(a)	(1,744,159)	–	–	(1,744,159)
Capital contribution from administrative restructure – net assets received	3(ii), 20(a)	398,888	–	–	398,888
Capital contribution from administrative restructure – net assets transferred	3(i),(ii), 20(a)	(399,291)	–	–	(399,291)
Balance at 30 June 2012 – Group		**383,600**	**703,968**	**26,564**	**1,114,132**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash flow statement for the financial year ended 30 June 2012

	Note	2012 Group $'000	2011 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Receipts from Victorian Government		5,072,152	4,757,161
Receipts from other entities		187,895	139,659
Sale of transport services		683,800	621,973
Goods and Services Tax recovered from the ATO		333,244	377,189
Interest received		3,442	2,383
Other receipts		9,396	19,952
Total receipts		**6,289,929**	**5,918,317**
PAYMENTS			
Payments to service providers and transport agencies		(5,684,456)	(5,341,879)
Payments to suppliers and employees		(354,227)	(292,522)
Goods and Services Tax paid to the ATO		(51,134)	(50,087)
Interest paid		(30,452)	(32,265)
Capital asset charge		(29,888)	(28,556)
Total payments		**(6,150,157)**	**(5,745,309)**
Net cash flows from operating activities	18(c)	**139,772**	**173,008**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(162,191)	(32,922)
Payments for intangible assets		(4,557)	(5,254)
Proceeds from disposals of property, plant and equipment		810	992
Cash received from activity transferred in	3(iv)	13,122	–
Net cash flows used in investing activities		**(152,816)**	**(37,184)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Owner contribution by Victorian Government		1,693,788	1,598,789
Payments of capital contribution to VicTrack		(1,418,239)	(1,236,551)
Payments of capital contribution to other entities		(124,146)	(357,034)
Repayments of finance lease liabilities		(1,277)	(922)
Proceeds from loans and advances from Victorian Government		149,048	153,912
Repayment of loans and advances from Victorian Government		(151,591)	(140,909)
Net cash flows used in financing activities		**147,583**	**17,285**
Net increase in cash and cash equivalents		**134,539**	**153,109**
Cash and cash equivalents at the beginning of the financial year		678,861	525,752
Cash and cash equivalents at the end of the financial year	18(a)	**813,400**	**678,861**

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes to the financial statements for the financial year ended 30 June 2012

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012

These annual financial statements represent the audited general purpose financial statements for DOT, the Public Transport Development Authority (PTDA) – operating as Public Transport Victoria (PTV) and its controlled entity Metlink Victoria Pty Ltd (Metlink). The entities are collectively referred to in the financial statements as the 'Department' which has presented the consolidated financial statements in the format of a 'Group' with PTV's financial information for the period to 30 June 2012 separately disclosed in note 28. (Refer to note 1(c) for detail on the reporting entity). The purpose of the report is to provide users with information about the Department's stewardship of resources entrusted to it.

(a) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards (AAS), which include interpretations issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting.*

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 30.

The annual financial statements were authorised for issue by the Acting Secretary of DOT and the Chair and Chief Executive of Public Transport Victoria on 20 September 2012.

(b) Basis of accounting preparation and measurement

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

In the application of AAS, judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and associated assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also future periods that are affected by the revision. Judgements and assumptions made by management in the application of AASs that have significant effects on the financial statements and estimates relate to:

» the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1(m))

» superannuation expense (refer to Note 1(h))

» actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 1(n)).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

» non-current physical assets which, subsequent to acquisition, are measured at a revalued amount being their fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value

» the fair value of an asset other than land is generally based on its depreciated replacement value

» certain liabilities that are calculated with regard to actuarial assessments

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented for the period ended 30 June 2011.

(c) Reporting entity

DOT is a government department of the State of Victoria, established pursuant to an order made by the Premier under the *Administrative Arrangements Act 1983*.

PTDA is a statutory authority established under the *Transport Integration Act 2010* on 15 December 2011 and commenced full operations, which included the transfer of certain functions and responsibilities from DOT to PTDA on 2 April 2012. PTDA operates as Public Transport Victoria (PTV).

Metlink was a *Corporations Act 2001* (Cth) entity that was acquired by PTV on 2 April 2012 and its activities are consolidated into the Department's financial statements.

The principal address of:

» DOT is 121 Exhibition Street, Melbourne, Victoria 3000

» PTV is 575 Bourke Street, Melbourne, Victoria 3000.

Pursuant to section 53(1)(b) of the Financial Management Act 1994, the Minister for Finance granted approval for DOT to prepare its 2011-12 annual report incorporating the report of operations and financial statements of PTV and its controlled entity Metlink. In preparing the Department's financial statements, all material transactions and balances between DOT and PTV are eliminated. The Department has elected not to present consolidated financial statements for 2011-12 in a format of 'parent' and 'consolidated' as provided for in AASB 127. The Department has instead presented the consolidated financial statements in the format of a 'Group' with PTV's financial information for the period to 30 June 2012 also separately disclosed in Note 28.

For the 2012-13 and subsequent reporting periods, DOT and PTV will prepare separate annual financial statements.

DOT is an administrative agency acting on behalf of the Crown.

The financial statements include all the controlled activities of DOT.

The following administrative office and statutory appointments are included in the reporting entity:

» *The Director of Public Transport* is a position established under section 65 of the Transport Integration Act. The primary object of the Director of Public Transport is to provide, operate and maintain the public transport system consistent with the vision statement and the transport system objectives.

» *Director, Transport Safety*, is a position established under section 171 of the Transport Integration Act. The primary object of the Director, Transport Safety is to independently seek the highest transport safety standards that are reasonably practicable consistent with the vision statement and the transport system objectives.

» *The Chief Investigator, Transport Safety* is a position established under section 179 of the Transport Integration Act. The object of the Chief Investigator, Transport Safety is to seek to improve transport safety by providing for the independent no-blame investigation of transport safety matters consistent with the vision statement and the transport system objectives.

» Regional Rail Link Authority (RRLA) is an administrative office established under section 11 of the *Public Administration Act 2004*. RRLA was established to deliver the Regional Rail Link Project.

A description of the nature of the Department's operations and its principal activities are included in the report of operations on page 13, which does not form part of the financial statements.

Objectives and funding

The Victorian Government is committed to providing a safe and reliable transport system that contributes to a prosperous, inclusive and environmentally responsible state. The Department is predominantly funded by accrual-based parliamentary appropriations for the provision of outputs.

Outputs of the Department

Information about the Department's output activities and the expenses, income, assets and liabilities which are reliably attributable to those output activities, is set out in the output activities schedule (refer Note 2). Information about expenses, income, assets and liabilities administered by the Department are given in the schedule of administered expenses and income and the schedule of administered assets and liabilities (refer Note 21).

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

(d) Basis of consolidation

In accordance with AASB 127 *Consolidated and Separate Financial Statements:*

» The consolidated financial statements of the Department incorporates assets and liabilities of all reporting entities controlled by the Department as at 30 June 2012, and their income and expenses for that part of the reporting period in which control existed.

» The consolidated financial statements exclude bodies within the Department's portfolio that are not controlled by DOT and therefore are not consolidated. Bodies and activities that are administered (see explanation below under administered items) are also not controlled and not consolidated.

Where control of an entity is obtained during the financial period, its results are included in the comprehensive operating statement from the date on which control commenced. Where control ceases during a financial period, the entity's results are included for that part of the period in which control existed. Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements for the Department, all material transactions and balances between consolidated entities are eliminated.

Administered items

Certain resources are administered by the Department on behalf of the State. While the Department is accountable for the transactions involving administered items, it does not have the discretion to deploy the resources for its own benefit or the achievement of objectives. Accordingly transactions and balances relating to administered items are not recognised as departmental income, expenses, assets or liabilities within the body of the financial statements, but are disclosed in Note 21.

Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government income earned but not yet collected. Administered liabilities include government expenses incurred but yet to be paid.

Disclosures related to administered items can be found in Note 21.

(e) Business combination

Business combinations are accounted for using the acquisition method. The cost of acquisition is measured as the consideration transferred from the acquirer to the acquiree. Identifiable assets acquired and liabilities assumed in a business combination are measured at fair values at the acquisition date. A gain on the acquisition, the amount of the cost of acquisition that is less than the fair value of the identifiable net assets of the subsidiary acquired, is recognised directly in the income statement of the acquirer (refer Note 28). Acquisition costs incurred are expensed and included in administrative expenses.

(f) Scope and presentation of financial statements

Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the Whole of Victorian Government reporting format and is allowed under AASB 101 *Presentation of financial statements.*

'Transactions' and 'other economic flows' are defined by the *Australian system of government finance statistics: concepts, sources and methods 2005 and Amendments to Australian System of Government Finance Statistics, 2005 (ABS* Catalogue No. 5514.0 published by the Australian Bureau of Statistics) (see Note 30).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within an entity, such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the Government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They may include gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments; and depletion of natural assets (non-produced) from their use or removal.

The net result is equivalent to profit or loss derived in accordance with AASs.

Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets. Current and non-current assets and liabilities (non-current generally being those assets or liabilities expected to be recovered or settled more than 12 months) are disclosed in the notes, where relevant.

Cash flow statements

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 *Statement of cash flows*.

Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'comprehensive result' and amounts recognised in 'Other economic flows-other movements in equity' related to 'Transactions with owner in its capacity as owner'.

Rounding of amounts

Amounts in the financial statements (including the Notes) have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

(g) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the entity and the income can be reliably measured at fair value.

Appropriation income

Appropriated income becomes controlled and is recognised by the Department when it is appropriated from the consolidated fund by the Victorian Parliament and applied to the purposes defined under the relevant appropriations act. Additionally, the Department is permitted under section 29 of the Financial Management Act to have certain income annotated to the annual appropriation. The income which forms part of a section 29 agreement is recognised by the Department and the receipts paid into the Consolidated Fund as an administered item. At the point of income recognition, section 29 provides for an equivalent amount to be added to the annual appropriation. Examples of receipts which can form part of a section 29 agreement are Commonwealth specific purpose grants which are shown in Note 22. The section 29 appropriation is shown in Note 4.

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. All amounts of income over which the Department does not have control are disclosed as administered income in the schedule of administered income and expenses (see Note 21). Income is recognised for each of the Department's major activities as follows:

Output appropriations

Income from the outputs the Department provides to Government is recognised when those outputs have been delivered and the relevant Minister has certified delivery of those outputs in accordance with specified performance criteria.

Special appropriations

Under section 213A(4) of the *Transport (Compliance and Miscellaneous) Act 1983*, income related to administrative costs associated with ticket infringements are recognised when the amount is appropriated for that purpose is due and payable by the Department.

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

Interest

Interest income includes interest received on bank term deposits and other investments and the unwinding over time of the discount on financial assets. Interest income is recognised using the effective interest method which allocates the interest over the relevant period.

Sale of transport services

Income from the supply of services

Income from the supply of services is recognised by reference to the stage of completion of services being performed. The income is recognised when:

» the amount of income, stage of completion and transaction costs incurred can be reliably measured

» it is probable that the economic benefits associated with the transaction will flow to the Department.

The Department acknowledge the incidence of fare evasion, impacting fare box revenue in Note 5(a), by individuals who have a legal obligation to the Department.

Grants and other income transfers

Grants from third parties (other than contribution by owners) are recognised as income in the reporting period in which the Department gains control over the contribution.

Fair value of assets and services received free of charge or for nominal consideration

Contributions of resources received free of charge or for nominal consideration are recognised at fair value when control is obtained over them, irrespective of whether these contributions are subject to restrictions or conditions over their use. Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not received as a donation.

Other income

Other income includes rental income and other miscellaneous items which are one-off items.

(h) Expenses from transactions

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

Employee expenses

Refer to the section in Note 1(n) regarding employee benefits.

These expenses include all costs related to employment (other than superannuation which is accounted for separately) including wages and salaries, payroll tax, fringe benefits tax, leave entitlements, redundancy payments and WorkCover premiums.

Superannuation – State superannuation defined benefit plans

The amount recognised in the comprehensive operating statement is the employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The Department of Treasury and Finance (DTF) in their annual financial statements, disclose on behalf of the State as the sponsoring employer, the net defined benefit cost related to the members of these plans as an administered liability.

The employee defined benefit superannuation plans are the responsibility of the state, for which the Department is not liable.

Refer to DTF's annual financial statements for more detailed disclosures in relation to these plans.

Depreciation and amortisation

All infrastructure assets, buildings, plant and equipment and other non-current physical assets (excluding items under operating leases and land) that have a finite useful life are depreciated. Depreciation is generally calculated on a straight-line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period and adjustments made where appropriate.

The following are the estimated useful lives for the different asset classes for current and prior years.

ASSET CATEGORY	EXPECTED USEFUL LIFE (YEARS)
Buildings at fair value	**22–80**
Infrastructure at fair value	**20–185**
Plant and equipment at fair value	
Furniture and fittings	**10**
Computer equipment	**3–4**
Field plant and scientific equipment	**10–30**
Office machines and equipment	**5**
IT infrastructure	**4**
Leasehold improvements at fair value	**5–15**
Leased vehicles at fair value	**3***
Cultural assets at fair value	**20–100**

* *Leased vehicles are depreciated on a straight-line basis to their residual value (cost less estimated projected market value) over the period of the lease – three years.*

Land which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Intangible assets with indefinite useful lives are not depreciated or amortised but are tested annually for impairment. (Refer Note 1(l))

Interest expense

Interest expense is recognised as expenses in the period in which it is incurred. Refer to the glossary of terms in Note 30 for an explanation of interest expense items.

Grants and other transfers

Grants and other transfers to third parties (other than contribution to owners) are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as: grants, subsidies, personal benefit payments made in cash to individuals, other transfer payments made to State owned agencies, local government, non-government schools and community groups. Refer to Glossary of terms and style conventions in Note 30 for an explanation of grants and other transfers.

Capital asset charge

The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets.

Payments to service providers and transport agencies

Payments to service providers and transport agencies are recognised as an expense in the reporting period in which they are paid or payable. They include transactions such as grants, subsidies and other transfer payments to other agencies, such as VicRoads.

Supplies and services

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when distributed.

Bad and doubtful debts

Refer to Note 1(l) Impairment of financial assets.

Fair value of assets and services provided free of charge

Contributions of resources provided free of charge or for nominal consideration are recognised at their fair value when the transferee obtains control over them, irrespective of whether restrictions or conditions are imposed over the use of the contributions, unless received from another government department or agency as a consequence of a restructuring of administrative arrangements. In the latter case, such a transfer will be recognised at its carrying value.

Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated.

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

(i) Other economic flows included in net result

Other economic flows measure the change in volume or value of assets or liabilities that do not result from transactions. These include:

Net gain/(loss) on non-financial assets

Net gain/(loss) on non-financial assets and liabilities includes realised and unrealised gains and losses as follows:

Revaluation gains/(losses) of non-financial physical assets

Refer to accounting policy provided in Note 1(m) – Property, plant and equipment.

Disposal of non-financial assets

Any gain or loss on the disposal of non-financial assets is recognised at the date of disposal and is determined after deducting from the proceeds the carrying value of the asset at that time.

Impairment of non-financial assets

Intangible assets with indefinite useful lives including those that are not yet available for use, are tested annually for impairment and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, except for assets arising from construction contracts (refer Note 1(m)).

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an other economic flow, except to the extent that the write down can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is indication that there has been a change in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. This reversal of the impairment loss occurs only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

It is deemed that, in the event of the loss or destruction of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made. The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

Refer to Note 1(m) in relation to the recognition and measurement of non-financial assets.

Other gains/(losses) from other economic flows

Other gains/(losses) from other economic flows include the gains or losses from:

» transfer of amounts from the reserves and/or accumulated surplus to net result due to disposal or derecognition or reclassification; and

» the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

(j) Administered income

Fines and regulatory fees

The Department collects fines and fees on behalf of the Crown and does not gain control over the assets arising from these items. Consequently no income is recognised in the Department's financial statements but disclosed as income in the schedule of administered items (refer Note 21).

Grants from Commonwealth Government and other jurisdictions

The Department's administered grants mainly comprise funds provided by the Commonwealth to assist the State Government in meeting general or specific delivery obligations, primarily for the purpose of aiding in the financing of the operations of the recipient, capital purposes and/or for on-passing to other recipients. The Department also receives grants for on-passing from other jurisdictions. The Department does not have control over these grants and income is not recognised in the Department's financial statements. Administered grants are disclosed in the schedule of Administered Items in Note 21.

(k) Financial Instruments

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Department's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivable arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

The following refers to financial instruments unless otherwise stated.

Categories of non-derivative financial instruments

Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Loans and receivables category includes cash and deposits (refer to Note 1(l)), trade receivables, loans and other receivables, but not statutory receivables.

Financial liabilities at amortised cost

Financial instrument liabilities are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest-bearing liability, using the effective interest rate method.

Financial instrument liabilities measured at amortised cost include all of the Department's contractual payables, deposits held and advances received, and interest-bearing arrangements.

(l) Financial assets

Cash and deposits

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Receivables

Receivables consist of:

- contractual receivables, which includes mainly debtors in relation to goods and services and accrued investment income; and
- statutory receivables, which includes predominantly amounts owing from the Victorian Government and GST input tax credits recoverable. Receivables that are contractual are classified as financial instruments. Statutory receivables are not classified as financial instruments.

Contractual receivables are classified as financial instruments and categorised as loans and receivables. Statutory receivables, are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

Receivables are subject to impairment testing as described below.
A provision for doubtful receivables is made when there is objective evidence that the debts may not be collected and bad debts are written off when identified (refer to Note 1(l) Impairment of financial assets).

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

Other financial assets

Other financial assets include loans and receivables.

Any interest earned on the financial asset is recognised in the comprehensive operating statement as a transaction.

Impairment of financial assets

The Department assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Bad and doubtful debts for financial assets are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off by mutual consent and the allowance for doubtful receivables are classified as 'other economic flows' in the net result. The only bad and doubtful debts are reported as administered in Note 21.

In assessing impairment of statutory (non-contractual) financial assets which are not financial instruments, the Department applies professional judgement in assessing materiality and using estimates, averages and computational shortcuts in accordance with AASB 136 *Impairment of assets*.

(m) Non-financial assets

Inventories

Inventories held by the Department comprises of supplies and consumables in the ordinary course of business operations and inventories held for sale. Supplies and consumables are measured at cost and inventories held for sale are measured at the lower of cost and net realisable value. Where the inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Property, plant and equipment

All non-financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

The initial cost for non-financial physical assets under a finance lease (refer to Note 1(n)) is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Where an asset is received for no or nominal consideration, the cost is the asset's fair value at the date of acquisition.

Non-current physical assets such as Crown land are measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply.

The fair value of cultural assets and collections and other non-financial physical assets that the State intends to preserve because of their unique historical, cultural or environmental attributes are measured at the replacement cost of the asset less, where applicable, accumulated depreciation (calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset) and any accumulated impairment. These policies and any legislative limitations and restrictions imposed on their use and/or disposal may impact their fair value.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost. For plant, equipment and vehicles, existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads.

For the accounting policy on impairment of non-financial physical assets, refer to impairment of non-financial assets under Note 1(i).

Leasehold improvements

The cost of a leasehold improvements is capitalised as an asset and depreciated over the remaining term of the lease or the estimated useful life of the improvements, whichever is the shorter.

Restrictive nature of cultural assets, Crown land and infrastructure

Cultural assets, Crown land and infrastructure, which are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. Consequently, there are certain limitations and restrictions imposed on their use and/or disposal.

Non-financial physical assets constructed by the Department

The cost of non-current physical assets constructed by the Department includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Revaluations of non-financial physical assets

Non-financial physical assets are measured at fair value on a cyclical basis in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. A full revaluation normally occurs every five years, based on the asset's government purpose classification, but may occur more frequently if fair value assessments indicate material changes in values. Independent valuers are generally used to conduct these scheduled revaluations. Certain infrastructure assets are revalued using specialised advisors. Any interim revaluations are determined in accordance with the requirements of the FRDs.

Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'Other economic flows – other movements in equity' and accumulated in equity under the revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised 'Other economic flows – other movements in equity' to the extent that a credit balance exists in the asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'Other economic flows – other economic movements in equity' reduces the amount accumulated in equity under the asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any asset revaluation surplus is not normally transferred to accumulated funds on derecognition of the relevant asset.

Intangible assets

Purchased intangible assets are initially measured at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated depreciation/amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Department.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

(a) the technical feasibility of completing the intangible asset so that it will be available for use or sale

(b) an intention to complete the intangible asset and use or sell it

(c) the ability to use or sell the intangible asset

(d) the intangible asset will generate probable future economic benefits

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset

(f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight line basis over their useful lives as follows: Capitalised software development costs three to five years.

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

Other non-financial assets

Prepayments

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

(n) Liabilities

Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. (Refer to Note 1(o)).

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption borrowing being recognised in the net result over the period of the borrowing using the effective interest method.

Payables

Payables consist of:

- » contractual payables such as accounts payable and unearned income including deferred income from concession arrangements. Accounts payable represent liabilities for goods and services provided to the Department prior to the end of the financial year that are unpaid and arise when the Department becomes obliged to make future payments in respect of the purchase of those goods and services.
- » statutory payables, such as goods and services tax and fringe benefits tax payables.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost (refer to Note 1(k)). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liability at amortised cost, because they do not arise from a contract.

Provisions

Provisions are recognised when the Department has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows, using a discount rate that reflects the time value of money and risks specific to the provision.

When some or all economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of receivable can be measured reliably.

Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

(i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave are recognised in the provision for employee benefits, classified as current liabilities. Those liabilities which are expected to be settled within 12 months of the reporting period, are measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

(ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Unconditional LSL is disclosed in the financial statements as a current liability even where the Department does not expect to settle the liability within 12 months because it does not have an unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- nominal value – component that the Department expects to settle within 12 months; and
- present value – component that the Department does not expect to settle within 12 months.

Conditional LSL is disclosed in the financial statements as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value using the official published discount rate by DTF. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an other economic flow (refer to Note 1(l). *Other economic flows include in net result*).

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Department recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(iv) Employee benefits on-costs

Employee benefits on-costs such as payroll tax, workers compensation and superannuation are recognised separately from the provision for employee benefits.

(o) Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment.

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Finance leases

Department as lessee

At the commencement of the lease term, finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the lease property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The lease asset is depreciated over the shorter of the estimated useful life of the asset or the term of the lease.

Minimum finance lease payments are apportioned between reduction of the outstanding lease liability and periodic finance expense which is calculated using the interest rate implicit in the lease and charged directly to the comprehensive operating statement. Contingent rentals associated with finance leases are recognised as an expense in the period in which they are incurred.

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

Operating leases

Department as lessee

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

(p) Equity

Contributions by owners

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners.

Transfers of net assets arising from administrative restructures and/or from all other arrangements which are deemed to be contributions by owners, where there is insufficient contributed capital for distribution are recognised as an expense by the transferor and income by the transferee in accordance with FRD 119 'Contributions by Owners'. Alternatively if the transferor has approval to reclassify sufficient accumulated funds to contributed capital prior to or at the time of the asset transfer date then a distribution from contributed capital can occur. (refer to note 3(ii),(vi), 6(e), 28(i) and 28(iii)).

(q) Commitments

Commitments are disclosed at their nominal value and inclusive of the goods and services tax (GST) payable. In addition, where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated.

(r) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(s) Accounting for the GST

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from or payable to the taxation authority are presented as operating cash flow.

Commitments, contingent assets and liabilities are also stated inclusive of GST.

(t) Events after the reporting period

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between the Department and other parties, the transactions are only recognised when the agreement is irrevocable at or before the end of the reporting period. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results of subsequent reporting periods.

(u) New accounting standards and interpretations

Certain new AASs have been published that are not mandatory for the 30 June 2012 reporting period. DTF assesses the impact of these new standards and advises the Department of their applicability and early adoption where applicable.

As at 30 June 2012, the following standards and interpretations (applicable to departments) had been issued but were not mandatory for the financial year ending 30 June 2012. The Department has not early adopted these standards.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1-Jan-13	Detail of impact is still being assessed.
AASB 10 Consolidated Financial Statements	This standard establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities and supersedes those requirements in AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities.	1-Jan-13	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 10 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 12 Disclosure of Interests in Other Entities	This standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This standard replaces the disclosure requirements in AASB 127 and AASB 131.	1-Jan-13	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 12 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation
AASB 13 Fair Value Measurement	This standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities, other observable inputs, and unobservable inputs.	1-Jan-13	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 119 Employee Benefits	In this revised standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1-Jan-13	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 127 Separate Financial Statements	This revised standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jan-13	Not-for-profit entities are not permitted to apply this standard prior to the mandatory application date. The AASB is assessing the applicability of principles in AASB 127 in a not-for-profit context. As such, impact will be assessed after the AASB's deliberation.
AASB 1053 Application of Tiers of Australian Accounting standards	This standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements financial statements.	1-Jul-13	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2009-11 Amendments to Australian Accounting standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023, 1038 and Interpretations 10 and 12]	This standard gives effect to consequential changes arising from the issuance of AASB 9.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2010-7 Amendments to Australian Accounting standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-3 Amendments to Australian Accounting standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	1-Jul-12	This amendment provides clarification to users preparing the whole-of-government and general government sector financial reports on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on Departmental or entity reporting.
AASB 2011-4 Amendments to Australian Accounting standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	1-Jul-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-6 Amendments to Australian Accounting standards – Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation – Reduced Disclosure Requirements [AASB 127, AASB 128 and AASB 131]	The objective of this standard is to make amendments to AASB 127 Consolidated and Separate Financial Statements, AASB 128 Investments in Associates and AASB 131 Interests in Joint Ventures to extend the circumstances in which an entity can obtain relief from consolidation, the equity method or proportionate consolidation.	1-Jul-13	The Victorian Government is currently considering the impacts of RDRs and has not decided if RDRs will be implemented in the Victorian public sector.

Note 1. Summary of significant accounting policies for the financial year ended 30 June 2012 (continued)

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2011-7 Amendments to Australian Accounting standards arising from the Consolidation and Joint Arrangements standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023, 1038 and Interpretations 5, 9, 16 & 17]	This standard outlines consequential changes arising from the issuance of the five 'new standards' to other standards. For example, references to AASB 127 Consolidated and Separate Financial Statements are amended to AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements, and references to AASB 131 Interests in Joint Ventures are deleted as that standard has been superseded by AASB 11 and AASB 128 (August 2011).	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-8 Amendments to Australian Accounting standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending standard makes consequential changes to a range of standards and Interpretations arising from the issuance of AASB 13. In particular, this standard replaces the existing definition and guidance of fair value measurements in other AASs and Interpretations.	1-Jan-13	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011-9 Amendments to Australian Accounting standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from this standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	1-Jul-12	This amending standard could change the current presentation of 'Other economic flows – other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 2011-10 Amendments to Australian Accounting standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 and AASB 2011-8 and Interpretation 14]	This standard makes consequential changes to a range of other AASs and Interpretation arising from the issuance of AASB 119 Employee Benefits.	1-Jan-13	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1-Jul-13	The Victorian Government is currently considering the impacts of RDRs and has not decided if RDRs will be implemented in the Victorian public sector.
2011-13 Amendments to Australian Accounting standard – Improvements to AASB 1049	This standard aims to improve the AASB 1049 whole-of-government and General Government Sector Financial Reporting at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the information required by AASB 1049. Furthermore, this standard provides additional guidance and examples on the classification between 'transactions' and 'other economic flows' for GAAP items without GFS equivalents.	1-Jul-12	No significant impact is expected from these consequential amendments on entity reporting.
2012-1 Amendments to Australian Accounting standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 and AASB 141]	This amending standard prescribes the reduced disclosure requirements in a number of Australian Accounting standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	1-Jul-13	As the Victorian whole-of-government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting standards), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole-of-government and GG sector.

Note 2. Departmental (controlled) outputs

A description of Departmental outputs performed during the year ended 30 June 2012 and the objectives of these outputs are summarised below.

Output Groups

Transport safety and security

These outputs will deliver initiatives and regulatory activities that will improve safety on Victoria's roads, public transport and waterways. These outputs also include activities aimed at maintaining the security of critical transport infrastructure and ensuring the preparedness to respond to emergencies involving this infrastructure.

These outputs will make the transport system safer by reducing the frequency, severity and cost of incidents and accidents and supports the Department's objective of ensuring safety, health and well being for all transport users.

Public transport services

These outputs oversee the delivery of quality, sustainable and cost effective passenger train, tram and bus services to metropolitan Melbourne and regional Victoria, in partnership with operators and in accordance with contractual arrangements, providing services that are safe, on time and accommodate passengers. These outputs also include the provision of specialist transport services that provide mobility for those unable to use other forms of public transport.

Dependable and accessible public transport services will reduce reliance on private motor vehicles and reduce social exclusion caused by lack of transport options. These outputs support the Department's objectives to provide an efficient and reliable transport network that supports economic prosperity, social inclusion and environmental sustainability.

Integrated transport planning, delivery and management

These outputs deliver strategic policy guidance to improve and integrate transport and land-use planning. Integrated transport and land use planning identifies current and future access needs – for people to employment, goods to markets and services to businesses – and ensures that land-use and transport development are coordinated to best address these needs. These outputs deliver strategic transport infrastructure planning, development and improvements to increase the capacity and reliability of the transport system and increase the efficiency of existing transport infrastructure to improve the movement of people, goods and services throughout Victoria. These outputs deliver projects to develop sustainable transport solutions, including promoting sustainable travel modes and increasing the use of public transport. An integrated and sustainable transport system will sustain economic growth and support social inclusion and improved quality of life, while conserving the environment for current and future generations.

These outputs support the Department's objectives to integrate transport and land-use planning and deliver an efficient and reliable transport network that supports economic prosperity, social inclusion and environmental sustainability.

Departmental Outcomes

1. Improving transport network capacity and efficiency to address current and future transport demand.
2. Improving public transport punctuality and reliability.
3. Improving personal safety on the transport network.
4. Improving regional and rural transport infrastructure and services.

Schedule A – Controlled income and expenses for the financial year ended 30 June 2012

	Transport safety and security		Public transport services		Integrated transport planning, delivery and management		Total	
	2012 Group $'000	**2011 $'000**	**2012 Group $'000**	**2011 $'000**	**2012 Group $'000**	**2011 $'000**	**2012 Group $'000**	**2011 $'000**
CONTINUING OPERATIONS								
INCOME FROM TRANSACTIONS								
Output appropriations	143,085	143,639	3,201,326	3,125,001	1,830,636	1,487,382	5,175,047	4,756,022
Special appropriations	–	–	1,570	1,138	–	–	1,570	1,138
Sale of transport services	7,569	5,594	601,569	571,938	–	–	609,138	577,532
Grants and other income transfers	190	5	147,685	137,246	42,584	16,395	190,459	153,646
Interest	–	–	3,447	2,383	–	–	3,447	2,383
Fair value of assets and services received free of charge or for nominal consideration	–	12	–	365	49	167	49	544
Other income	112	297	6,839	24,394	314	454	7,265	25,145
Total income from transactions	**150,956**	**149,547**	**3,962,436**	**3,862,465**	**1,873,583**	**1,504,398**	**5,986,975**	**5,516,410**
EXPENSES FROM TRANSACTIONS								
Payments to service providers and transport agencies	(85,014)	(86,223)	(3,803,798)	(3,651,424)	(1,592,187)	(1,324,233)	(5,480,999)	(5,061,880)
Supplies and services	(32,141)	(29,937)	(104,513)	(92,081)	(61,245)	(52,354)	(197,899)	(174,372)
Fair value of assets and services provided free of charge or for nominal consideration	(1,862)	(9)	(225)	(274)	(178,155)	(134)	(180,242)	(417)
Employee expenses	(29,137)	(28,874)	(46,917)	(44,146)	(44,191)	(41,902)	(120,245)	(114,922)
Depreciation and amortisation	(3,944)	(3,765)	(26,257)	(25,461)	(4,502)	(4,553)	(34,703)	(33,779)
Interest expense	(51)	(67)	(46)	(63)	(32,481)	(32,194)	(32,578)	(32,324)
Capital asset charge	(1,145)	(669)	(26,275)	(24,778)	(2,468)	(3,109)	(29,888)	(28,556)
Total expenses from transactions	**(153,294)**	**(149,544)**	**(4,008,031)**	**(3,838,227)**	**(1,915,229)**	**(1,458,479)**	**(6,076,554)**	**(5,446,250)**
Net result from transactions (net operating balance)	**(2,338)**	**3**	**(45,595)**	**24,238**	**(41,646)**	**45,919**	**(89,579)**	**70,160**

Note 2. Departmental (controlled) outputs (continued)

Schedule A – Controlled income and expenses for the financial year ended 30 June 2012 (continued)

	Transport safety and security		Public transport services		Integrated transport planning, delivery and management		Total	
	2012 Group $'000	2011 $'000	2012 Group $'000	2011 $'000	2012 Group $'000	2011 $'000	2012 Group $'000	2011 $'000
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT								
Net gains/(losses) on non-financial assets	16	(33)	(11)	(93)	(211)	26	(206)	(100)
Other gains/(losses) from other economic flows	(408)	24	(512)	34	(722)	46	(1,642)	104
Total other economic flows included in net result	**(392)**	**(9)**	**(523)**	**(59)**	**(933)**	**72**	**(1,848)**	**4**
Net result	**(2,730)**	**(6)**	**(46,118)**	**24,179**	**(42,579)**	**45,991**	**(91,427)**	**70,164**
OTHER ECONOMIC FLOWS – OTHER NON-OWNER CHANGES IN EQUITY								
Changes in physical asset revaluation reserve	–	–	–	–	25,711	(5)	25,711	(5)
Total other economic flows – other non-owner changes in equity	**–**	**–**	**–**	**–**	**25,711**	**(5)**	**25,711**	**(5)**
Comprehensive result	**(2,730)**	**(6)**	**(46,118)**	**24,179**	**(16,868)**	**45,986**	**(65,716)**	**70,159**

Schedule B – Controlled assets and liabilities as at 30 June 2012

ASSETS								
Financial assets	66,314	59,802	695,461	655,286	769,293	543,001	1,531,068	1,258,089
Non-financial assets	21,110	23,455	1,100,379	1,208,681	198,824	218,522	1,320,313	1,450,658
Total assets	**87,424**	**83,257**	**1,795,840**	**1,863,967**	**968,117**	**761,523**	**2,851,381**	**2,708,747**
LIABILITIES								
Liabilities	28,132	18,832	1,068,614	1,100,744	640,503	393,634	1,737,249	1,513,210
Net assets	**59,292**	**64,425**	**727,226**	**763,223**	**327,614**	**367,889**	**1,114,132**	**1,195,537**

Note 3. Restructuring of administrative arrangements and other asset transfers

The Department had the following restructuring of administrative arrangements and other asset transfers:

(i) Transfer from DOT to Taxi Services Commission

(ii) Transfer from DOT to PTV

(iii) Transfer of TTA staff to PTV

(iv) Transfer of Metlink to PTV

(v) Transfer of land to VicTrack (Darebin Station car park)

(vi) Transfer of Dynon Port-Rail Link assets

(vii) Transfer of rail infrastructure assets from PTV to VicTrack

(viii) Transfer of the Portland Trawler Wharf to DOT

(ix) Transfer of the 'Drawing Management System' function from VicTrack to DOT

(x) Transfer of Integrated Transport and Land Use Planning function to DPCD

(xi) Transfer of DOT's Pool Vehicles to the Shared Services Provider

(i) Transfer from DOT to Taxi Services Commission

On 19 July 2011 the Taxi Services Commission (TSC) came into operation with the following assets and liabilities being transferred from DOT as contributed capital.

	Note	2012 Group $'000
ASSETS		
Building Leasehold		406
LIABILITIES		
Employee provision		(3)
Net assets transferred to TSC		**403**

Note 3. Restructuring of administrative arrangements and other asset transfers (continued)

(ii) Transfer from DOT to PTV

On 2 April 2012 as part of the machinery of government changes, PTV commenced full operations with the following net assets being transferred from DOT to PTV at carrying amount which approximates fair value. It should be noted that this set of accounts combines DOT and PTV for reporting purposes. The below transfer represents an outgoing transfer for DOT and an incoming transfer for PTV.

	Note	2012 Group $'000
ASSETS		
Cash		2,163
Grant receivable from DOT*		231,301
Receivables		1,495
Prepayments		36,068
Land		333,771
Buildings		500,941
Infrastructure		140,528
Plant and equipment		498
Leasehold improvements		6,003
Leased vehicles		782
Assets under construction		154,110
Cultural assets		1,287
Capitalised software development		4,147
Work in progress – software		8,344
LIABILITIES		
Payables		(260,711)
Motor vehicle lease liability (current)		(430)
Provision for employee benefits (current)		(9,255)
Provision for employee benefits of rail operators (current)		(15,796)
Motor vehicle lease liability (non-current)		(362)
Provision for employee benefits (non-current)		(1,549)
Provision for employee benefits of rail operators (non-current)		(252,455)
Southern Cross Station transport interchange facility lease		(374,873)
Net assets transferred from DOT to PTV		**506,007**

In relation to the above transfer, due to insufficient contributed capital, the transaction has taken place as follows (also refer Note 1 (p)):

Amount transferred using contributed capital (equity transfer)	20(a)	398,888
Amount transferred 'free of charge' (operating statement)	28(i)	107,119
Net assets transferred from DOT to PTV**		**506,007**

* *This receivable is in lieu of cash to pay accruals – the cash will be paid on an as required basis.*

** *For the 2011-12 reporting period, DOT had insufficient contributed capital to meet all the asset transfers that would have otherwise qualified for recognition as a contributed capital transaction. FRD 119 'Contributions by Owners' permits the reclassification of accumulated funds to contributed capital where there is insufficient contributed capital for the asset transfers. The reclassification needs to be approved prior to or at the time of the asset transfers This reclassification did not occur. Consequently, the asset transfers where there was insufficient contributed capital for distribution are recognised as an expense by DOT and income by the transferee entities.*

Commitments

PTV commitments as at 2 April 2012 for rail, bus and capital are estimated at $11.5 billion (excluding GST).

(iii) Transfer of TTA staff to PTV

On 27 March 2012 a determination made under section 243 of the Transport Integration Act transferred nominated employees from the Transport Ticketing Authority (TTA) to PTV. The transfer of TTA employees to PTV is accompanied by the transfer of the current and non-current provisions for employee benefits and is transacted as resources provided free of charge.

	Note	2012 Group $'000
LIABILITIES		
Annual leave		(522)
Long service leave payable within 12 months		(214)
Long service leave payable after 12 months		(232)
Net liabilities transferred to PTV	6(e)	**(968)**

(iv) Transfer of Metlink to PTV

The following net assets were transferred to PTV on acquisition of Metlink and is transacted as net assets provided free of charge.

	Note	2012 Group $'000
ASSETS		
Cash		13,122
Trade and other receivables		2,463
Prepayments		186
Inventories		323
Property, plant and equipment		258
LIABILITIES		
Trade creditors and payables		(2,655)
Other payables		(1,351)
Deferred Income		(10,214)
Employee Provisions		(1,586)
Net assets transferred to PTV		**546**

Note 3. Restructuring of administrative arrangements and other asset transfers (continued)

(v) Transfer of land to VicTrack (Darebin Station car park)

On 30 June 2012 land at carrying amount was transferred from DOT to VicTrack for the provision of a station car park. The transfer is transacted as assets provided free of charge (also refer note I (p)).

	Note	2012 Group $'000
ASSETS		
Land		225
Net assets transferred	6(e)	**225**

(vi) Transfer of Dynon Port-Rail Link Assets

On 30 June 2012 the completed assets arising from the Dynon Port Rail Link project were transferred from DOT to the portfolio entities Port of Melbourne Corporation (PoMC), VicRoads, and VicTrack and was transacted as assets provided free of charge (also refer note I (p)).

	Note	2012 Group $'000
ASSETS		
Land transferred to PoMC		27,057
Infrastructure transferred to PoMC		36,815
Road infrastructure transferred to PoMC		18,155
Net assets transferred free of charge to PoMC	6(e)	**82,027**
ASSETS		
Land transferred to VicRoads		4
Road infrastructure transferred to VicRoads		61,560
Net assets transferred free of charge to VicRoads	6(e)	**61,564**
ASSETS		
Land transferred to VicTrack		24,892
Rail infrastructure transferred to VicTrack		8,675
Net assets transferred free of charge to VicTrack	6(e)	**33,567**
Net assets transferred free of charge*		**177,158**

** For the 2011-12 reporting period, DOT had insufficient contributed capital to meet all the asset transfers that would have otherwise qualified for recognition as a contributed capital transaction. FRD 119 'Contributions by Owners' permits the reclassification of accumulated funds to contributed capital where there is insufficient contributed capital for the asset transfers. The reclassification needs to be approved prior to or at the time of the asset transfers. This reclassification did not occur. Consequently, the asset transfers where there was insufficient contributed capital for distribution are recognised as an expense by DOT and income by the transferee entities.*

(vii) Transfer of rail infrastructure assets from PTV to VicTrack

On 30 June 2012 rail infrastructure assets under construction were transferred from PTV to VicTrack as a capital contribution.

	Note	2012 Group $'000
ASSETS		
Infrastructure assets under construction	9	241,193
Net assets transferred to VicTrack		**241,193**

(viii) Transfer of the Portland Trawler Wharf to DOT

On 1 July 2010 the Portland Trawler Wharf was transferred from the Department of Sustainability and Environment (DSE) to DOT. The transfer coincided with the transfer of responsibilities for Victorian local ports to DOT, previously overseen by DSE.

As at 1 July 2010 the assets detailed below were transferred to DOT as contributed capital.

	Note	2011 $'000
ASSETS		
Infrastructure at fair value	9	11,751
Net assets transferred		**11,751**

(ix) Transfer of the Drawings Management System function from VicTrack to DOT

On 5 July 2010 the Drawing Management System (DMS) function was transferred from VicTrack to DOT. Major responsibilities of the DMS function are managing over 350,000 technical drawings relating to infrastructure on behalf of the State and to ensure they are CAD compliant.

As at 5 July 2010 the assets detailed below were transferred to DOT as contributed capital.

	Note	2011 $'000
ASSETS		
Intangible assets (software)	10	2,480
Net assets transferred		**2,480**

Note 3. Restructuring of administrative arrangements and other asset transfers (continued)

(x) Transfer of Integrated Transport and Land Use Planning function to DPCD

On 31 December 2010 the government transferred the Integrated Transport and Land Use Planning function from DOT to the Department of Planning and Community Development (DPCD).

	Note	2011 $'000
ASSETS		
Funds in State Administration Unit		112
LIABILITIES		
Annual leave		(20)
Long service leave payable within 12 months		(75)
Long service leave payable after 12 months		(17)
Net assets transferred to DPCD		**–**

(xi) Transfer of DOT's pool vehicles to the Shared Services Provider

The Government issued an Administrative Order to restructure some of its activities in relation to the provision of shared services. This restructure resulted in DOT relinquishing certain corporate service functions to the Shared Service Provider (SSP). The SSP provides facilities, accommodation, car pool management and library services across 11 government departments and four agencies (Victoria Police, VicRoads, Environmental Protection Authority and State Revenue Office). This transfer is a further stage of the original declaration and in this instance on 1 June 2011, DOT transferred nineteen motor vehicles ('pool cars') to the SSP.

	Note	2011 $'000
ASSETS		
Motor Vehicles	9	380
LIABILITIES		
Borrowings – motor vehicles under Vic Fleet lease		(386)
Net liabilities transferred to SSP		**(6)**

Note 4. Summary of compliance with annual parliamentary and special appropriations

(a) Summary of compliance with annual parliamentary appropriations

The following table discloses the details of the various annual parliamentary appropriations received by the Department for the year. In accordance with accrual output-based management procedures 'Provision for outputs' and 'Additions to net assets' are disclosed as 'controlled' activities of the Department. Administered transactions are those that are undertaken on behalf of the State over which the Department has no control or discretion.

Appropriations	Provision for outputs		Additions to net assets	
	2012 Group $'000	2011 $'000	2012 Group $'000	2011 $'000
CONTROLLED				
APPROPRIATION ACT				
Annual appropriation	4,535,872	4,271,219	1,584,271	1,334,917
Payments from advance from Treasurer	23,184	7,835	–	–
FINANCIAL MANAGEMENT ACT				
Section 29 Appropriation of Certain Receipts	858,233	333,686	479,067	266,399
Section 30 Transfer Between Appropriations	(102,000)	8,142	102,000	(8,142)
Section 32 Unused Appropriations (from prior years)	56,695	239,371	335,324	432,518
Section 35 (Temporary Advances)	–	–	–	2,550
Total Parliamentary authority	**5,371,984**	**4,860,253**	**2,500,662**	**2,028,242**
Appropriations applied	**5,175,047**	**4,756,022**	**1,728,873**	**1,610,467**
Variance [(i)]	**196,937**	**104,231**	**771,789**	**417,775**

(i) The variance primarily relates to agreed changes in the scheduling of committed projects.

(b) Summary of compliance with special appropriations

Authority	Purpose	Appropriations applied	
		2012 Group $'000	2011 $'000
OPERATING			
Section 213A (4) of the Transport (Compliance and Miscellaneous) Act	Refund to public transport operators for administrative costs associated with ticket infringements	**1,570**	**1,138**

Note 5. Income from transactions

	2012 Group $'000	2011 $'000
(A) SALE OF SERVICES		
Sale of transport services [i]	609,138	577,532
Total sale of services	**609,138**	**577,532**
(B) GRANTS		
Specific purpose for on passing	139,900	134,569
Other specific purpose	50,559	19,077
Total grants	**190,459**	**153,646**
(C) OTHER INCOME		
Sales to other government agencies	672	1,535
Gain on acquisition of Metlink	546	–
Other income	6,047	23,610
Total other income	**7,265**	**25,145**

(i) The Department acknowledges the incidence of fare evasion, impacting fare box revenue, by individuals who have a legal obligation to the Department.

Note 6. Expenses from transactions

	Note	2012 Group $'000	2011 $'000
(A) PAYMENTS TO SERVICE PROVIDERS AND TRANSPORT AGENCIES			
Rail system operation and related services		(1,571,875)	(1,591,230)
Grants for capital asset charge		(1,296,032)	(1,175,430)
Total rail services		**(2,867,907)**	**(2,766,660)**
Road services		(1,539,341)	(1,330,644)
Bus services		(907,638)	(858,524)
Payments to other agencies		(166,113)	(106,052)
Total payments to service providers and transport agencies		**(5,480,999)**	**(5,061,880)**
(B) SUPPLIES AND SERVICES			
Multi-purpose taxi program		(51,905)	(49,128)
Administration and information technology		(40,752)	(37,543)
Grants for community and social benefits		(39,257)	(38,449)
Accommodation		(19,352)	(16,045)
Insurance, legal and internal audit fees		(8,931)	(6,099)
Cost of goods sold/distributed		(348)	–
Other		(37,354)	(27,108)
Total supplies and services		**(197,899)**	**(174,372)**
(C) EMPLOYEE EXPENSES			
Salaries and wages		(88,681)	(82,428)
Annual leave and long services leave expense		(13,126)	(13,363)
Superannuation (excluding salary sacrifice)		(9,458)	(9,360)
Other on-costs (fringe benefits tax, payroll tax and work cover levy)		(8,980)	(9,771)
Total employee expenses		**(120,245)**	**(114,922)**

Note 6. Expenses from transactions (continued)

	Note	2012 Group $'000	2011 $'000
(D) DEPRECIATION AND AMORTISATION			
Depreciation and amortisation of property, plant and equipment			
Buildings		(12,101)	(12,134)
Infrastructure assets		(10,222)	(9,157)
Plant and equipment		(499)	(692)
Leasehold improvements		(4,165)	(4,000)
Leased vehicles		(1,301)	(930)
Cultural Assets		(84)	(523)
Total for property, plant and equipment	9	**(28,372)**	**(27,436)**
Amortisation			
Intangible assets		(6,331)	(6,343)
Total for intangibles	10	**(6,331)**	**(6,343)**
Total depreciation and amortisation	18(c)	**(34,703)**	**(33,779)**

	Note	2012 Group $'000	2011 $'000
(E) ASSETS AND SERVICES PROVIDED FREE OF CHARGE			
Port of Melbourne Corporation			
Dynon Port Rail Link project assets*	1(p), 3(vi),9	(82,027)	–
VicRoads			
Dynon Port Rail Link project assets*	1(p), 3(vi),9	(61,564)	–
VicTrack			
Dynon Port Rail Link project assets*	1(p), 3(vi),9	(33,567)	–
Land*	1(p), 3(v),9	(225)	–
Taxi Services Commission			–
Services		(1,842)	
Transport Ticketing Authority			
Employee benefits associated with staff transfer to PTV	3(iii)	(968)	–
Motor vehicle liability		(20)	–
Linking Melbourne Authority			–
Motor vehicle transfers	9	(29)	
Department of Treasury and Finance			
Motor vehicle transfers	3(xi),9	–	(380)
Department of Planning and Community Development			
Motor vehicle transfers		–	(37)
Total assets and services provided free of charge		**(180,242)**	**(417)**

* *For the 2011-12 reporting period, DOT had insufficient contributed capital to meet all the asset transfers that would have otherwise qualified for recognition as a contributed capital transaction. FRD 119 'Contributions by Owners' permits the reclassification of accumulated funds to contributed capital where there is insufficient contributed capital for the asset transfers. The reclassification needs to be approved prior to or at the time of the asset transfers. This reclassification did not occur. Consequently, for the asset transfers where there was insufficient contributed capital for distribution, they are recognised as an expense by DOT and income by the transferee entities.*

Note 7. Other economic flows included in net result

(a) Net gain/(loss) on non financial assets	Note	2012 Group $'000	2011 $'000
GROSS PROCEEDS FROM SALE OF PROPERTY, PLANT AND EQUIPMENT			
Leased vehicles		810	992
Total proceeds		**810**	**992**
GROSS DISPOSALS OF PROPERTY, PLANT AND EQUIPMENT			
Plant and equipment		(64)	(44)
Leased vehicles		(753)	(979)
Previous project expenditure capitalised		(128)	(58)
Total disposals of property, plant and equipment	9	**(945)**	**(1,081)**
GROSS DISPOSALS OF INTANGIBLE ASSETS			
Software		(71)	(11)
Total disposals of intangible assets	10	**(71)**	**(11)**
Total net gain/(loss) on non-financial assets	18(c)	**(206)**	**(100)**

(b) Other gains/(losses) from other economic flows	Note	2012 Group $'000	2011 $'000
Net gain/(loss) arising from revaluation of long service leave liability [a]		(1,642)	104
Total other gains/(losses) from other economic flows		**(1,642)**	**104**

(a) Revaluation gain/(loss) due to changes in bond rates.

Note 8. Receivables

	Note	2012 Group $'000	2011 $'000
CURRENT RECEIVABLES			
Contractual			
Sale of services	14	11,952	609
Other receivables [i]	14	46,527	41,500
		58,479	**42,109**
Statutory			
Amounts owing from Victorian Government [ii]		607,059	467,510
GST input tax credit recoverable from the ATO		48,351	64,880
		655,410	**532,390**
Total current receivables		**713,889**	**574,499**
NON-CURRENT RECEIVABLES			
Statutory			
Amounts owing from Victorian Government [ii]		3,779	4,729
Total non-current receivables		**3,779**	**4,729**
Total receivables		**717,668**	**579,228**

(i) The average credit period on sales of goods is 30 days. No interest is charged on receivables.

(ii) The amounts recognised from Victorian Government represent funding for all commitments incurred through the appropriations and are drawn from the consolidated fund as the commitments fall due.

Nature and extent of risk arising from receivables
Please refer to note 14(b) for the nature and extent of credit risk arising from contractual receivables.

Ageing analysis of receivables
Please refer to note 14(b) for the ageing analysis of receivables.

Note 9. Property, plant and equipment

Classification by 'Transportation and Communications' purpose group – movements in carrying amounts.

	2012 Group $'000	2011 $'000
Land at fair value		
At cost of acquisition	3,832	2,871
At valuation 2010	360,755	360,755
Total land	**364,587**	**363,626**
Buildings at fair value		
At valuation 2010	522,197	522,197
Less: accumulated depreciation	(24,235)	(12,134)
Total buildings	**497,962**	**510,063**
Infrastructure at fair value		
At cost of acquisition	–	67
At carrying amount	12,105	12,014
At valuation 2010	157,110	157,110
Less: accumulated depreciation	(19,393)	(9,170)
Total infrastructure	**149,822**	**160,021**
Plant and equipment at fair value		
At valuation 2010	5,312	5,556
Less: accumulated depreciation	(4,010)	(4,258)
Total plant and equipment	**1,302**	**1,298**
Leasehold improvement at fair value		
At cost of acquisition	37,447	37,924
Less: accumulated depreciation	(17,559)	(13,542)
Total buildings leasehold	**19,888**	**24,382**

	2012 Group $'000	2011 $'000
Leased plant, equipment and vehicles at fair value		
At cost of acquisition	6,175	4,630
Less: accumulated depreciation	(1,751)	(1,210)
Total leased vehicles	**4,424**	**3,420**
Cultural assets at fair value		
At valuation 2010	1,875	1,875
Less: accumulated depreciation	(607)	(523)
Total cultural assets	**1,268**	**1,352**
Assets under construction at cost		
Plant, and equipment	862	–
Building leasehold improvements	5,000	–
Infrastructure	230,615	347,468
Total property under construction	**236,477**	**347,468**
Net carrying amount of property, plant and equipment	**1,275,730**	**1,411,630**

Note 9. Property, plant and equipment (continued)

Classification by 'Transportation and Communications' purpose group – movements in carrying amounts.

	Note	Land $'000	Buildings $'000	Infrastructure $'000
Carrying amount at 1 July 2010		**362,505**	**522,197**	**157,405**
Additions	18(b)	1,126	–	22
Disposals/write-offs	7(a)	–	–	–
Acquisitions through administrative restructures	3 (viii)	–	–	11,751
Relinquishments through administrative restructures	3(xi),6(e)	–	–	–
Net revaluation increments/decrements	20(c)	(5)	–	–
Depreciation/amortisation expense	6(d)	–	(12,134)	(9,157)
Assets provided as contributed capital		–	–	–
Assets received free of charge		–	–	–
Assets provided free of charge	6(e)	–	–	–
Transfers between classes		–	–	–
Carrying amount at 30 June 2011		**363,626**	**510,063**	**160,021**
Additions	18(b)	1,186	–	23
Disposals/write-offs	7(a)	–	–	–
Acquisitions through administrative restructures	3(ii),(iv)	333,771	500,941	140,528
Relinquishments through administrative restructures	3(i),(ii)	(333,771)	(500,941)	(140,528)
Net revaluation increments/decrements	20(c)	25,711	–	–
Depreciation/amortisation expense	6(d)	–	(12,101)	(10,222)
Assets provided as contributed capital	3 (vii)	–	–	–
Assets received free of charge		–	–	–
Assets provided free of charge	3(v),(vi), 6(e)	(52,178)	–	(125,205)
Transfers between classes		26,242	–	125,205
Carrying amount at 30 June 2012		**364,587**	**497,962**	**149,822**

Plant and equipment $'000	Leasehold improvement $'000	Leased plant, equipment and vehicles $'000	Cultural assets $'000	Assets under construction $'000	Total $'000
1,885	**27,973**	**3,211**	**1,754**	**314,974**	**1,391,904**
149	409	2,462	–	34,088	38,256
(44)	–	(979)	–	(58)	(1,081)
–	–	–	–	–	11,751
–	–	(380)	–	–	(380)
–	–	–	–	–	(5)
(692)	(4,000)	(930)	(523)	–	(27,436)
–	–	–	–	(1,536)	(1,536)
–	–	36	121	–	157
–	–	–	–	–	–
–	–	–	–	–	–
1,298	**24,382**	**3,420**	**1,352**	**347,468**	**1,411,630**
309	77	3,067	–	281,777	286,439
(64)	–	(753)	–	(128)	(945)
756	6,003	782	1,287	154,110	1,138,178
(498)	(6,409)	(782)	(1,287)	(154,110)	(1,138,326)
–	–	–	–	–	25,711
(499)	(4,165)	(1,301)	(84)	–	(28,372)
–	–	–	–	(241,193)	(241,193)
–	–	20	–	–	20
–	–	(29)	–	–	(177,412)
–	–	–	–	(151,447)	–
1,302	**19,888**	**4,424**	**1,268**	**236,477**	**1,275,730**

Note 10. Intangible assets

(i) Intangible assets		CAPITALISED SOFTWARE DEVELOPMENT		WORK IN PROGRESS (SOFTWARE)		TOTAL	
	Note	**2012 Group $'000**	**2011 $'000**	**2012 Group $'000**	**2011 $'000**	**2012 Group $'000**	**2011 $'000**
Gross carrying amount							
Opening balance		49,235	46,766	17,703	11,924	66,938	58,690
Additions		–	–	4,500	5,779	4,500	5,779
Disposal	7(a)	(71)	(11)	–	–	(71)	(11)
Acquisitions through administrative restructures	3(ii),(ix)	4,147	2,480	8,344	–	12,491	2,480
Relinquishments through administrative restructures	3(ii)	(4,147)	–	(8,344)	–	(12,491)	–
Transfers between classes		1,767	–	(1,767)	–	–	–
Closing balance		**50,931**	**49,235**	**20,436**	**17,703**	**71,367**	**66,938**
Accumulated amortisation and impairment							
Opening balance		(32,345)	(26,002)	–	–	(32,345)	(26,002)
Amortisation expense	6(d)	(6,331)	(6,343)	–	–	(6,331)	(6,343)
Closing balance		**(38,676)**	**(32,345)**	**–**	**–**	**(38,676)**	**(32,345)**
Net book value at the end of the financial year		**12,255**	**16,890**	**20,436**	**17,703**	**32,691**	**34,593**

Note 11. Payables

	Note	2012 Group $'000	2011 $'000
CURRENT PAYABLES			
Contractual			
Creditors and accruals[i]	14	660,932	431,871
Trust fund creditors and accruals	14	312,379	374,783
Unearned/prepaid income	14	40,821	15,393
		1,014,132	**822,047**
Statutory			
Taxes payable (GST)		3,630	4,850
Total current payables		**1,017,762**	**826,897**

(i) The average credit period for creditors is 30 days, a period in which no interest is charged.

(a) Maturity analysis of payables
Please refer to Note 14(c) for the ageing analysis of contractual payables.

(b) Nature and extent of risk arising from payables
Please refer to Note 14 for interest rate contractual exposure.

Note 12. Borrowings

	Note	2012 Group $'000	2011 $'000
CURRENT BORROWINGS			
Motor vehicle lease liability [i]	14, 19	1,863	1,541
Advance from Victorian Government to cover the net GST payable by DOT at 30 June [ii]	14	20,485	15,739
Advance from Victorian Government for VicRoads traffic signal retrofit program [ii]	14	1,177	–
Total current borrowings		**23,525**	**17,280**
NON-CURRENT BORROWINGS			
Motor vehicle lease liability [i]	14, 19	2,618	1,921
Advance from Victorian Government for VicRoads traffic signal retrofit program [ii]	14	–	8,467
Southern Cross Station Transport Interchange Facility liability	14, 19	375,340	373,262
Total non-current borrowings		**377,958**	**383,650**
Total borrowings		**401,483**	**400,930**

(i) Secured by the assets leased. Finance leases are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

(ii) Advance from Victorian Government is non-interest bearing.

(a) Maturity analysis of borrowings

Please refer to Note 14(a) for the maturity analysis of borrowings.

(b) Nature and extent of risk arising from borrowings

Please refer to Note 14(b) for the nature and extent of risks arising from borrowings.

Note 13. Provisions

	Note	2012 Group $'000	2011 $'000
CURRENT PROVISIONS			
Employee benefits – annual leave [i]			
Unconditional and expected to settle within 12 months [ii]		6,533	5,038
Unconditional and expected to settle after 12 months [iii]		5,440	3,812
Employee benefits – long service leave [i]			
Unconditional and expected to settle within 12 months [ii]		2,828	2,319
Unconditional and expected to settle after 12 months [iii]		12,252	10,385
Employee benefits – bonus provision [i]		1,528	1,600
	13(a)	**28,581**	**23,154**
Provisions related to employee benefit on-costs			
Unconditional and expected to settle within 12 months [ii]		1,491	1,179
Unconditional and expected to settle after 12 months [iii]		2,868	2,332
	13(a)	**4,359**	**3,511**
Other provisions			
Provision for the employee entitlements of rail operators [iv]		2,398	427
Provision for fringe benefits tax		184	177
	13(b)	**2,582**	**604**
Total current provisions		**35,522**	**27,269**
NON-CURRENT PROVISIONS			
Employee benefits and related on-costs			
Employee benefits [v]	13(a)	5,405	4,105
Employee benefits on-costs	13(a)	827	624
		6,232	**4,729**
Other provisions			
Provision for employee entitlements of rail operators [iv]	13(b)	275,175	252,310
Provision for dismantling, removal and restoration of building leasehold	13(b)	1,075	1,075
		276,250	**253,385**
Total non-current provisions		**282,482**	**258,114**
Total provisions		**318,004**	**285,383**

(i) Provisions for employee benefits consist of amounts for annual leave, long service leave and bonus payments accrued by employees, not including on-costs.

(ii) The amounts disclosed are nominal amounts.

(iii) The amounts disclosed are discounted to present values.

(iv) The State provides a guarantee for the employee entitlements of the employees of the public transport operators.

(v) The amounts disclosed represents long service leave entitlements for employees with less than seven years of continuous service discounted to present value.

Note 13. Provisions (continued)

(a) Employee benefits and related on-costs

	2012 Group $'000	2011 $'000
Current provisions for employee benefits		
Annual leave entitlements	11,973	8,850
Unconditional long service leave entitlements	15,080	12,704
Accrued performance incentive	1,528	1,600
Total current provisions for employee benefits	**28,581**	**23,154**
Non-current provisions for employee benefits		
Conditional long service leave entitlements	5,405	4,105
Total non-current provisions for employee benefits	**5,405**	**4,105**
Total employee benefits	**33,986**	**27,259**
On-costs		
Current on-costs	4,359	3,511
Non-current on-costs	827	624
Total on-costs	**5,186**	**4,135**
Total employee benefits provisions and related on-costs	**39,172**	**31,394**

(b) Movement in provisions

	Employee benefits $'000	Bonus provision $'000	Employee benefits on-costs $'000	Rail operators' employee benefits $'000	Dismantling, removal and restoration $'000	Fringe benefits tax $'000	Total $'000
Opening balance at 1 July 2011	**25,659**	**1,600**	**4,135**	**252,737**	**1,075**	**177**	**285,383**
Additional provisions recognised	5,309	(72)	824	25,872	–	766	**32,699**
Reductions arising from payments/other sacrifices of future economic benefits	–	–	–	(1,036)	–	(759)	**(1,795)**
Unwinding of discount and effect of changes in the discount rate	1,493	–	229	–	–	–	**1,722**
Reductions due to transfers out	(3)	–	(2)	–	–	–	**(5)**
Closing balance at 30 June 2012	**32,458**	**1,528**	**5,186**	**277,573**	**1,075**	**184**	**318,004**
Current	27,053	1,528	4,359	2,398	–	184	**35,522**
Non-current	5,405	–	827	275,175	1,075	–	**282,482**
	32,458	**1,528**	**5,186**	**277,573**	**1,075**	**184**	**318,004**

Note 14. Financial instruments

(a) Financial risk management objectives and policies

The Department's principal financial instruments comprise of:

- cash and term deposits
- receivables (excluding statutory receivables)
- payables (excluding statutory payables)
- borrowings.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, with respect to each class of financial asset and financial liability above are disclosed in Note 1 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Department's financial risks within the Government's policy parameters.

The Department's main financial risks include credit risk, liquidity risk and interest rate risk. The Department manages these financial risks in accordance with its financial risk management policy.

The Department uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Risk Management Committee of the Department.

Categorisation of financial instruments [(i)]

2012	Note	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets				
Cash and funds held in trust	18(a)	813,400	–	813,400
Receivables				
Sale of services	8	11,952	–	11,952
Other receivables	8	46,527	–	46,527
Total contractual financial assets [(ii)]		**871,879**	**–**	**871,879**
Contractual financial liabilities				
Payables	11			
Creditors and accruals		–	660,932	660,932
Trust fund creditors and accruals		–	312,379	312,379
Unearned/prepaid income		–	40,821	40,821
Borrowings	12			
Finance lease liabilities – motor vehicle		–	4,481	4,481
Advance from Victorian Government to cover GST payable		–	20,485	20,485
Advance from Victorian Government for VicRoads traffic signal retrofit program		–	1,177	1,177
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		–	375,340	375,340
Total contractual financial liabilities [(iii)]		**–**	**1,415,615**	**1,415,615**

(i) The amount disclosed represents the carrying amount for the reporting period.

(ii) The amount of receivables disclosed excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).

(iii) The amount of payables disclosed excludes statutory payables (i.e. GST output tax payable).

Note 14. Financial instruments (continued)

2011	Note	Contractual financial assets – loans and receivables $'000	Contractual financial liabilities at amortised cost $'000	Total $'000
Contractual financial assets				
Cash and funds held in trust	18(a)	678,861	–	678,861
Receivables				
Sale of services	8	609	–	609
Other receivables	8	41,500	–	41,500
Total contractual financial assets (ii)		**720,970**	**–**	**720,970**
Contractual financial liabilities				
Payables	11			
Creditors and accruals		–	431,871	431,871
Trust fund creditors and accruals		–	374,783	374,783
Unearned/prepaid income		–	15,393	15,393
Borrowings	12			
Finance lease liabilities – motor vehicle		–	3,462	3,462
Advance from Victorian Government to cover GST payable		–	15,739	15,739
Advance from Victorian Government for VicRoads traffic signal retrofit program		–	8,467	8,467
Finance lease liabilities – Southern Cross Station Transport Interchange Facility		–	373,262	373,262
Total contractual financial liabilities (iii)		**–**	**1,222,977**	**1,222,977**

(i) The amount disclosed represents the carrying amount for the reporting period.

(ii) The amount of receivables disclosed excludes statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable).

(iii) The amount of payables disclosed excludes statutory payables (i.e. GST output tax payable).

Net holding gain/(loss) on financial instruments by category

	Total interest income/(expense)	
	2012 Group $'000	2011 $'000
Contractual financial assets		
Financial assets – loans and receivables	3,447	2,383
Total contractual financial assets	**3,447**	**2,383**
Contractual financial liabilities		
Financial liabilities at amortised cost [i]	(32,578)	(32,324)
Total contractual financial liabilities	**(32,578)**	**(32,324)**

(i) Includes interest for Southern Cross Station Transport Interchange Facility.

(b) Credit risk exposures

Credit risk arises from the contractual financial assets of the Department, which comprise cash and cash deposits and non-statutory receivables. The Department's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the Department. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Department's contractual financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, the Department's policy is to only deal with entities with high credit ratings, receivable amount from these debtors are immaterial.

In addition, the Department does not engage in hedging for its contractual financial assets and mainly obtains financial assets that are of fixed interest rate except for cash assets, which are mainly cash at bank

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Department will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts which are more than 60 days overdue, and changes in debtor credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents the Department's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Note 14. Financial instruments (continued)

Credit quality of contractual financial assets that are neither past due nor impaired

2012	Government agencies (AAA credit rating) $'000	Other (AAA credit rating) $'000	Other (not rated) $'000	Total $'000
Cash and funds held in trust	813,400	–	–	813,400
Receivables				
Sale of services	11,952	–	–	11,952
Other receivables	35,848	8,762	1,917	46,527
Total contractual financial assets	**861,200**	**8,762**	**1,917**	**871,879**
2011				
Cash and funds held in trust	678,861	–	–	678,861
Receivables				
Sale of services	609	–	–	609
Other receivables	39,731	805	964	41,500
Total contractual financial assets	**719,201**	**805**	**964**	**720,970**

Contractual financial assets that are either past due or impaired

There are no material financial assets which are individually determined to be impaired. Currently the Department does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of contractual financial assets that are past due but not impaired.

Ageing analysis of contractual financial assets (i)

2012	Carrying amount $'000	Not past due and not impaired $'000	Maturity dates: Less than 1 month $'000	1–3 months $'000	3 months –1 year $'000	1–5 years $'000	Impaired financial assets $'000
Contractual financial assets							
Cash and funds held in trust	813,400	813,400	–	–	–	–	–
Receivables							
Sale of services	11,952	10,977	116	741	118	–	–
Other receivables	46,527	37,087	8,004	300	1,136	–	–
	871,879	**861,464**	**8,120**	**1,041**	**1,254**	**–**	**–**
2011							
Contractual financial assets							
Cash and funds held in trust	678,861	678,861	–	–	–	–	–
Receivables							
Sale of services	609	609	–	–	–	–	–
Other receivables	41,500	37,413	725	2,043	1,267	52	–
	720,970	**716,883**	**725**	**2,043**	**1,267**	**52**	**–**

(i) The carrying amounts disclosed here exclude statutory amounts (e.g. amount owing from Victorian Government and GST input tax credit recoverable).

(c) Liquidity risk

Liquidity risk is the risk that the Department would be unable to meet its financial obligations as and when they fall due. The Department operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Department's maximum exposure to liquidity risk is the carrying amount of financial liabilities as disclosed in the face of the balance sheet. The department continuously manages its liquidity risk through monitoring future cash flows.

The Department's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The following table discloses the contractual maturity analysis for the Department's contractual financial liabilities.

Note 14. Financial instruments (continued)

(c) Liquidity risk (continued)

Maturity analysis of contractual financial liabilities [i]

2012	Carrying amount $'000	Nominal amount $'000	Maturity dates: Less than 1 month $'000	1–3 months $'000	3 months –1 year $'000	1–5 years $'000	5+ years $'000
Contractual financial liabilities							
Payables [ii]							
Creditors and accruals	660,932	660,932	660,932	–	–	–	–
Trust fund creditors and accruals	312,379	312,379	312,379	–	–	–	–
Unearned/prepaid income	40,821	40,821	20,171	1,664	18,986	–	–
Borrowings							
Finance lease liabilities – motor vehicle	4,481	4,846	386	274	1,424	2,762	–
Advance from Victorian Government to cover GST payable	20,485	20,485	20,485	–	–	–	–
Advance from Victorian Government for VicRoads traffic signal retrofit program	1,177	1,177	1,177	–	–	–	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	375,340	949,247	–	7,687	23,350	132,105	786,105
	1,415,615	**1,989,887**	**1,015,530**	**9,625**	**43,760**	**134,867**	**786,105**

2011	Carrying amount $'000	Nominal amount $'000	Less than 1 month $'000	1–3 months $'000	3 months –1 year $'000	1–5 years $'000	5+ years $'000
Contractual financial liabilities							
Payables [ii]							
Creditors and accruals	431,871	431,871	431,660	179	32	–	–
Trust fund creditors and accruals	374,783	374,783	374,783	–	–	–	–
Unearned/prepaid income	15,393	15,393	15,393	–	–	–	–
Borrowings							
Finance lease liabilities – motor vehicle	3,462	3,757	236	225	1,260	2,036	–
Advance from Victorian Government to cover GST payable	15,739	15,739	15,739	–	–	–	–
Advance from Victorian Government for VicRoads traffic signal retrofit program	8,467	8,467	–	–	–	8,467	–
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	373,262	979,527	–	7,500	22,780	128,883	820,364
	1,222,977	**1,829,537**	**837,811**	**7,904**	**24,072**	**139,386**	**820,364**

(i) Maturity analysis is presented using the contractual undiscounted cash flows.

(ii) The amount in payables disclosed excludes statutory payables (i.e. GST output tax payable).

(d) Market risk

The Department's exposures to market risk are primarily through interest rate risk. The Department has no exposure to foreign currency risk. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Department does not hold any interest bearing financial instruments that are measured at fair value, therefore has nil exposure to fair value interest rate risk.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Department has minimal exposure to cash flow interest rate risks through its cash and deposits, term deposits and bank overdrafts that are at floating rate.

The Department manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Department to significant bad risk, management monitors movement in interest rates on a daily basis.

The carrying amounts of financial assets and financial liabilities that are exposed to interest rates are set out in the following table.

Interest rate exposure of financial instruments

			Interest rate exposure		
2012	**Weighted average effective interest rate%**	**Carrying amount $'000**	**Fixed interest rate $'000**	**Variable interest rate $'000**	**Non-interest bearing $'000**
Contractual financial assets					
Cash and funds held in trust	4.48%	813,400	50,000	30,000	733,400
Receivable					
Sale of services		11,952	–	–	11,952
Other receivables		46,527	–	–	46,527
		871,879	**50,000**	**30,000**	**791,879**
Contractual financial liabilities					
Payables					
Creditors and accruals		660,932	–	–	660,932
Trust fund creditors and accruals		312,379	–	–	312,379
Unearned/prepaid income		40,821	–	–	40,821
Borrowings					
Finance lease liabilities – motor vehicle	6.58%	4,481	4,481	–	–
Advance from Victorian Government to cover GST payable		20,485	–	–	20,485
Advance from Victorian Government for VicRoads traffic signal retrofit program		1,177	–	–	1,177
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	375,340	375,340	–	–
		1,415,615	**379,821**	**–**	**1,035,794**

Note 14. Financial instruments (continued)

2011	Weighted average effective interest rate%	Carrying amount $'000	Interest rate exposure Fixed interest rate $'000	Variable interest rate $'000	Non-interest bearing $'000
Contractual financial assets					
Cash and funds held in trust	4.77%	678,861	50,000	–	628,861
Receivable					
Sale of services		609	–	–	609
Other receivables		41,500	–	–	41,500
		720,970	**50,000**	**–**	**670,970**
Contractual financial liabilities					
Payables					
Creditors and accruals		431,871	–	–	431,871
Trust fund creditors and accruals		374,783	–	–	374,783
Unearned/prepaid income		15,393	–	–	15,393
Borrowings					
Finance lease liabilities – motor vehicle	6.83%	3,462	3,462	–	–
Advance from Victorian Government to cover GST payable		15,739	–	–	15,739
Advance from Victorian Government for VicRoads traffic signal retrofit program		8,467	–	–	8,467
Finance lease liabilities – Southern Cross Station Transport Interchange Facility	8.65%	373,262	373,262	–	–
		1,222,977	**376,724**	**–**	**846,253**

Sensitivity disclosure analysis

Taking into account past performance, future expectations and economic forecasts, the Department believes there are no material movements 'reasonably possible' over the next 12 months: a parallel shift of +2.0 per cent and – 2.0 per cent in market interest rates from year-end rates.

The impact on net operating result and equity for each category of financial instrument held by the Department at year-end as presented to key management personnel, if the above movements were to occur, is immaterial for the 2011 and 2012 financial years.

(e) Fair value of financial assets and liabilities

The Department considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements approximates their fair values.

(i) On-statement of balance sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Department equals their carrying amounts.

(ii) Off-statement of balance sheet

The Department has potential financial assets and liabilities which may arise from certain contingencies disclosed in Note 16. As explained in Note 16, contingent liabilities by definition are similar to a liability, the distinguishing feature being the uncertainty over the Government's obligation.

Note 15. Commitments for expenditure

The following commitments have not been recognised as liabilities in the financial statements.

(a) PPP related commitments – Southern Cross Station

The Southern Cross Station Authority (SCSA) was abolished on 31 July 2009. All future lease commitments of the SCSA immediately before its abolition were vested in the Secretary to the Department of Transport on behalf of the State. This included the leasing arrangements with Civic Nexus Pty Ltd (CNPL).

Upon formation of PTV and as part of the Public Private Partnership (PPP) arrangement, the contract commitments to CNPL were transferred from the Secretary to PTV. These commitments include operating and finance lease interest costs that extend until 30 June 2036.

PTV will make quarterly payments over a 30 year operating period which commenced on 27 April 2005. These future payments are subject to abatement in accordance with the terms and conditions of the SDA. The quarterly payments reimburse CNPL for the annual operating, maintenance and insurance costs. The Net Present Value (NPV) is calculated using a discount rate of 8.65 per cent per annum and an inflation rate of 2.5 per cent per annum or actual inflation, which ever is higher.

The nominal amounts for the operation and maintenance commitment below represents the charges payable under the SDA at the end of the reporting period.

		2012 Group		2011
	NPV	Nominal $'000	NPV	Nominal $'000
Southern Cross Station Commitments	553,422	1,417,850	548,662	1,458,094
Less PPP related finance lease liabilities (Note 19)	(375,340)	(949,247)	(373,262)	(979,527)
Total PPP operation and maintenance commitment (Note 15(b))	**178,082**	**468,603**	**175,400**	**478,567**

(b) Commitments Payable

RAIL SERVICE COMMITMENTS	2012 Group Nominal $'000	2011 Nominal $'000
Payable:		
Not longer than one year	2,074,587	1,902,843
Longer than one year but not longer than five years	3,680,763	4,455,714
Longer than five years	625,276	1,466,565
Rail commitments (inclusive of GST)	**6,380,626**	**7,825,122**
Less: GST recoverable from the ATO	(580,057)	(711,375)
Rail commitments (exclusive of GST)	**5,800,569**	**7,113,747**

(b) Commitments Payable (continued)

	2012 Group Nominal $'000	2011 Nominal $'000
BUS COMMITMENTS		
Payable:		
Not longer than one year	1,017,145	949,355
Longer than one year but not longer than five years	2,568,728	2,978,284
Longer than five years	848,169	1,275,784
Bus commitments (inclusive of GST)	**4,434,042**	**5,203,423**
Less: GST recoverable from the ATO	(403,095)	(473,038)
Bus commitments (exclusive of GST)	**4,030,947**	**4,730,385**

CAPITAL EXPENDITURE COMMITMENTS		
Payable:		
Not longer than one year	1,396,937	645,266
Longer than one year but not longer than five years	1,331,802	360,272
Longer than five years	–	13,265
Capital expenditure commitments (inclusive of GST)	**2,728,739**	**1,018,803**
Less: GST recoverable from the ATO	(248,067)	(92,618)
Capital expenditure commitments (exclusive of GST)	**2,480,672**	**926,185**

LEASE COMMITMENTS		
Minimum lease payments for non-cancellable leases payable:		
Within one year	27,425	16,891
Longer than one year but not longer than five years	88,768	72,532
Longer than five years	143,621	117,463
Lease commitments (inclusive of GST)	**259,814**	**206,886**
Less: GST recoverable from the ATO	(23,619)	(18,808)
Lease commitments (exclusive of GST)	**236,195**	**188,078**
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	–	–

Note 15. Commitments for expenditure (continued)

PPP OPERATION AND MAINTENANCE COMMITMENTS	2012 Group Nominal $'000	2011 Nominal $'000
Minimum lease payments for non-cancellable leases payable:		
Within one year	16,035	15,501
Longer than one year but not longer than five years	68,249	65,979
Longer than five years	431,179	44,944
Lease commitments (inclusive of GST)	**515,463**	**526,424**
Less: GST recoverable from the ATO	(46,860)	(47,857)
Lease commitments (exclusive of GST)	**468,603**	**478,567**
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	–	–

TOTAL COMMITMENTS		
Total Commitments (inclusive of GST)	**14,318,684**	**14,780,658**
Less: GST recoverable from the ATO	(1,301,698)	(1,343,696)
Total commitments (exclusive of GST)	**13,016,986**	**13,436,962**

Rail and bus commitments

The Director and/or Secretary entered into a number of contracts with private operators to provide Victoria's train, tram and bus services. The current contracts with Metro Trains Melbourne (MTM) and Yarra Trams (KDR) commenced on 30 November 2009 and have an initial franchise period of eight years (with the possibility of a seven-year extension). Under the terms of these franchise contracts, the subsidies are provided for transport services and capital commitments. All of the contracts were transferred from the Director of Public Transport and/or Secretary to PTV on 2 April 2012.

The commitments with MTM and Yarra Trams have been calculated up to the end of the initial franchise period with the exception of the rolling stock lease payments for which PTV is legally committed beyond the initial franchise period.

As per the franchise agreements the train and tram franchisees are entitled to a New Ticketing Revenue Guarantee Payment (in lieu of farebox revenue) which will continue to be paid until approximately one year after the last metcard ticket is sold. The farebox revenue is currently being received in its entirety by PTV and will be distributed to franchisees from the date after the New Ticketing Revenue Guarantee Payment ceases to be paid.

Bus services are covered by long term contracts established in recent years and this is reflected in the bus commitment calculation. The exception is the metropolitan bus service contracts for the orbital, National Bus Company and Melbourne Bus Link services which are contracted until the end of July 2013 to enable adequate time to tender the services and establish a new long term contract.

Metlink Victoria Pty Ltd

In addition, to the train and tram arrangements, an industry wide body, Metlink was responsible for providing and overseeing network-wide ticketing, marketing, information and complaints handling services. Metlink's operations and financial commitments were transferred to PTV on 2 April 2012. The Metlink Services Agreement was terminated on 2 April 2012. On the 21 June 2012 an application was made to ASIC to deregister Metlink. Metlink was subsequently deregistered on 26 August 2012.

V/Line rail services

V/Line rail services reverted to government control with a partnership arrangement established for the period from 1 October 2003. The current franchise agreement expires on 31 December 2012 (with the possibility of a one-year extension).

V/Line commitments have been presented up until 31 December 2013 to reflect the possibility that the franchise period extension will be exercised. PTV is legally committed to make V/Line rolling stock lease payments beyond 31 December 2012.

Capital expenditure commitments

Capital expenditure commitments include contracts for capital projects relating to infrastructure and transport related projects separate and in addition to the commitments entered into through the partnership agreement (which include rolling stock and branding projects). These commitments have been signed prior to 30 June 2012 and have established a legal and binding obligation on PTV to make future payments.

Lease commitments

Lease commitments include contracts for accommodation and photocopier leases.

Note 16. Contingent assets and liabilities

Contingent assets

Contingent assets arise from guarantees, indemnities and other forms of support provided to government departments and from legal disputes and other claims by government departments arising from a past event. Contingent assets by definition are similar to an asset with the distinguishing feature being the uncertainty over the Department's entitlement. The Department has no contingent assets.

Contingent liabilities

Contingent liabilities arise from guarantees, indemnities and other forms of support provided by the Government and from legal disputes and other claims against the Government arising from a past event. Contingent liabilities by definition are similar to a liability with the distinguishing feature being the uncertainty over the Government's obligation.

Unquantifiable contingent liabilities

Public transport rail partnership agreements

The Director of Public Transport, on behalf of the Crown, entered into partnership contractual arrangements with franchisees to operate metropolitan rail transport services in the State, operative from 30 November 2009 until 30 November 2017. On 2 April 2012 PTV became the successor party to the Director of Public Transport. The following summarises the major contingent liabilities arising from the contractual arrangements in the event of early termination or expiry of the partnership contractual agreement, which are:

» Partnership assets

To maintain continuity of services, at early termination or expiry of the franchise agreement, assets will revert to PTV or a successor. In the case of some assets, a reversion back to PTV would entail those assets being purchased.

» Unfunded Superannuation

At the early termination or expiry of the contract, PTV will assume any unfunded superannuation amounts (apart from contributions the operator is required to pay over the contract term) to the extent that the State becomes the successor operator.

Compulsory property acquisition to deliver transport projects

The State has compulsorily acquired a number of properties (residential and commercial) through the *Land Acquisition and Compensation Act 1986* to facilitate delivery of various transport projects, including the Regional Rail Link Project. Possible future claims for compensation arising from the compulsory acquisition of these properties cannot be quantified at this stage.

Adjusted Escrow in the Services and Development Agreement

PTV has notice of a dispute with Civic Nexus Pty Ltd about certain payments under the Southern Cross Station Interchange Facility – Services and Development Agreement – Civic Nexus. The dispute may have payment implications. The information usually required by *AASB 137 Provisions, Contingent Liability and Contingent Assets* is not disclosed on the grounds it can be expected to prejudice PTV's position in the management of this dispute.

Metro Rolling Stock – Craigieburn Train Maintenance Facility

PTV has received notices of disputes with John Holland Pty Ltd in relation to a number of claims arising from a design and construction contract for the Craigieburn Train Maintenance Facility. The dispute may have payment implications. The information usually required by *AASB 137 Provisions, Contingent Liability and Contingent Assets* is not disclosed on the grounds it can be expected to prejudice PTV's position in the management of this dispute.

Quantifiable contingent liabilities

Details and estimates of other contingent liabilities are as follows:

	2012 Group $'000	**2011 $'000**
Legal disputes	1,149	3,108
Personal injury	2,102	615
	3,251	**3,723**

Note 17. Superannuation

Employees of the Department are entitled to receive superannuation benefits and the Department contributes to both defined benefit and defined contribution plans. The defined benefit plans provides benefits based on years of service and final average salary.

The Department does not recognise any defined benefit liability in respect of the plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due. DTF recognises and discloses the State's defined benefit liabilities in its financial statements.

However, superannuation contributions paid or payable for the reporting period are included as part of employee benefits in the comprehensive operating statement of the Department.

The name and details of the major employee superannuation funds and contributions (including salary sacrifice contributions) made by the Department are as follows:

	Paid contribution for the year		Contributions outstanding at year end	
Fund	**2012 Group $'000**	**2011 $'000**	**2012 Group $'000**	**2011 $'000**
DEFINED BENEFIT PLANS [i]				
State Superannuation Fund – revised and new	2,006	2,331	–	–
Transport Superannuation Fund	401	384	–	–
Victorian Water Superannuation Fund	52	66	–	–
Total defined benefit plans	**2,459**	**2,781**	**–**	**–**
DEFINED CONTRIBUTION PLANS				
VicSuper	10,530	10,650	–	–
Various other	3,970	3,605	–	–
Total defined contribution plans	**14,500**	**14,255**	**–**	**–**
Total superannuation plans	**16,959**	**17,036**	**–**	**–**

(i) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

Note 18. Cash flow information

(a) Reconciliation of cash and cash equivalents

	Note	2012 Group $'000	2011 $'000
Cash at bank and on hand		54,439	(1,374)
Funds held in trust – cash		708,961	630,235
– short term deposit		50,000	50,000
Balance as per cash flow statement		**813,400**	**678,861**

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement

Due to the State of Victoria's investment policy and government funding arrangements, the Department does not hold a large cash reserve in its bank accounts. Cash received by the department from the generation of income is generally paid into the State's bank account, known as the public account. Similarly, any departmental expenditure, including those in the form of cheques drawn by the department for the payment of goods and services to its suppliers and creditors are made via the public account. The process is such that the public account would remit to the Department the cash required for the amount drawn on the cheques. This remittance by the public account occurs upon the presentation of the cheques by the Department's suppliers or creditors.

The above funding arrangements often result in departments having a notional shortfall in the cash at bank required for payment of unpresented cheques. As at the reporting date of 30 June 2012, cash at bank included the amount of a notional shortfall for the payment of unpresented cheques of $2.453 million (2011 – $3.230 million).

(b) Non-cash financing and investing activities

Acquisition of property, plant and equipment by means of finance leases

The acquisitions relate to motor vehicle purchases under finance leases which is not reflected in the cash flow statement.

	Note	2012 Group $'000	2011 $'000
Acquisition of property, plant and equipment by means of finance leases	9	3,067	2,462
Total non-cash financing and investing activities		**3,067**	**2,462**

Restructuring of administrative arrangements

Details with respect to the restructuring of administrative arrangements are set out in Note 3. This administrative restructuring is not reflected in the cash flow statement.

(c) Reconciliation of net result

	Note	2012 Group $'000	2011 $'000
Net result for the reporting period		**(91,427)**	**70,164**
NON-CASH MOVEMENTS			
Loss on disposal of non-current assets	7(a)	206	100
Depreciation and amortisation of non-current assets	6(d)	34,703	33,779
Fair value of assets and services received free of charge or for nominal consideration		180,193	(127)
MOVEMENTS IN ASSETS AND LIABILITIES (NET OF RESTRUCTURING)			
Increase/(decrease) in receivables		(95,363)	25,011
Increase/(decrease) in prepayments		785	(1,600)
Increase/(decrease) in payables		80,635	27,337
Increase/(decrease) in provisions		30,040	18,344
Net cash flows from/(used in) operating activities		**139,772**	**173,008**

Note 19. Leases

Leasing arrangements

Finance lease liabilities payable

The Southern Cross Station Authority (SCSA) was abolished on 31 July 2009. All future lease commitments of the SCSA immediately before its abolition were vested in the Secretary to DOT on behalf of the State. This includes the leasing arrangements with Civic Nexus Pty Ltd (CNPL).

On 2 July 2002 the SCSA and CNPL entered into a Services and Development Agreement (SDA) for the redevelopment of Southern Cross Station (Station). Under the SDA, CNPL was to design, construct and commission the Station. Construction commenced in September 2002 and on 1 August 2006, CNPL was granted a 30 year lease over the Station and will have an obligation to operate and maintain the Station. At the end of the 30 year period, these rights and obligations are to be transferred back to the State.

The agreement is deemed a finance lease as it effectively transfers the risks and benefits incidental to ownership of the leased assets to the State.

Upon formation of PTV and as part of the PPP arrangement, the contract commitments to CNPL were novated from DOT to PTV. These commitments include operating and finance lease interest costs that extend until 30 June 2036.

PTV will make quarterly payments over a 30 year operating period which commenced from 27 April 2005. These future payments are subject to abatement in accordance with the terms and conditions of the SDA. The quarterly payments will reimburse CNPL for the annual operating, maintenance and insurance costs. The NPV is calculated using a discount rate of 8.65 per cent per annum and an inflation rate of 2.5 per cent per annum or actual inflation, which ever is higher.

It is important to note that currently the actual cash payments to CNPL are less than the deemed finance lease interest expense. In this instance the finance lease liability will continue to increase to approximately $378 million at the last quarter of 2014 when the cash payments overtake the value of the finance lease interest. Due to these increases in debt there is no requirement to recognise a current liability in this note.

Other finance lease liabilities payable

The other finance lease entered into by the Department relates to motor vehicles with lease terms of three years or 60,000 kilometres, whichever occurs first.

	Note	Minimum future lease payments* 2012 Group $'000	2011 $'000	Present value of minimum future lease payments 2012 Group $'000	2011 $'000
FINANCE LEASE LIABILITIES PAYABLE					
Not longer than one year	15	31,037	30,280	–	–
Longer than one year and not longer than five years	15	132,105	128,883	–	–
Longer than five years	15	786,105	820,364	375,340	373,262
OTHER FINANCE LEASE LIABILITIES PAYABLE					
Not longer than one year		2,084	1,720	1,863	1,541
Longer than one year and not longer than five years		2,762	2,037	2,618	1,921
Minimum lease payments*		**954,093**	**983,284**	**379,821**	**376,724**
Less future finance charges		(574,272)	(606,560)	–	–
Present value of minimum lease payments		**379,821**	**376,724**	**379,821**	**376,724**
Included in the financial statements as:					
Current borrowings	12			**1,863**	**1,541**
Non-current borrowings	12			**377,958**	**375,183**
Total interest bearing liabilities				**379,821**	**376,724**

** Minimum future lease payments include the aggregate of all lease payments and any guaranteed residual.*

Note 20. Equity

	Note	2012 Group $'000	2011 $'000
(A) CONTRIBUTIONS BY OWNERS			
Balance at beginning of financial year		399,289	415,765
Capital transactions with the State in its capacity as owner arising from:			
Capital appropriations	4	1,728,873	1,610,467
Capital contributions to agencies within the transport portfolio*		(1,744,159)	(1,641,174)
Capital contribution from administrative restructure – net assets received	3(ii),(viii),(ix)	398,888	14,231
Capital contribution from administrative restructure – net assets transferred	3(i),(ii)	(399,291)	–
Balance at end of financial year		**383,600**	**399,289**
(B) ACCUMULATED SURPLUS/(DEFICIT)			
Balance at beginning of financial year		432,185	362,021
Transfers from physical asset revaluation surplus		363,210	–
Net result for the year		(91,427)	70,164
Balance at end of financial year		**703,968**	**432,185**
(C) PHYSICAL ASSET REVALUATION SURPLUS (i)			
Balance at beginning of financial year		364,063	364,068
Land revaluation increment		25,711	(5)
Transfers to accumulated surplus/(deficit) for disposal of asset		(363,210)	–
Balance at end of financial year**		**26,564**	**364,063**

(i) The physical asset revaluation surplus arises due to the net increase in the land, building leasehold, plant and equipment, infrastructure and cultural assets.

	Note	2012 Group $'000	2011 $'000
***CAPITAL CONTRIBUTIONS TO AGENCIES WITHIN THE TRANSPORT PORTFOLIO:**			
VicTrack		1,625,333	1,267,607
VicRoads		82,028	307,707
Transport Ticketing Authority		38,000	39,500
Taxi Services Commission		146	–
Linking Melbourne Authority		(1,348)	26,360
Total capital contributions to agencies within the transport portfolio		**1,744,159**	**1,641,174**
****BALANCE OF EACH PHYSICAL ASSET REVALUATION SURPLUS AT THE END OF FINANCIAL YEAR**			
Land revaluation surplus		26,551	221,816
Building revaluation surplus		–	10,861
Infrastructure asset revaluation surplus		–	130,048
Plant and equipment revaluation surplus		–	414
Cultural asset revaluation surplus		13	924
Total physical asset revaluation surplus		**26,564**	**364,063**

Note 21. Administered (non-controlled) items

(a) Administered transactions

In addition to the specific departmental operations which are included in the financial statements (balance sheet, comprehensive operating statement and cash flow statement), the Department administers or manages other activities and resources on behalf of the State. The transactions relating to these State activities are reported as administered items in this note. Administered transactions give rise to income, expenses, assets and liabilities and are determined on an accrual basis. Administered income includes taxes, fees and fines and the proceeds from the sale of administered surplus land and buildings. Administered assets include government incomes earned but yet to be collected. Administered liabilities include government expenses incurred but yet to be paid. Both the controlled Departmental financial statements and these administered items are consolidated into the financial statements of the State.

Note 21. Administered (non-controlled) items (continued)

	Transport Safety and Security		Public Transport Services	
	2012 Group $'000	2011 $'000	2012 Group $'000	2011 $'000
ADMINISTERED INCOME FROM TRANSACTIONS				
Vehicle registration fees	994,722	912,900	–	–
Stamp duty on vehicles and transfers	581,265	576,059	–	–
Driver licences	67,935	52,482	–	–
CityLink concession deed income (refer Note 21(b))	–	–	–	–
Regulatory fees	25,656	23,143	–	–
Transfer and permit fees	22,601	22,637	–	–
Statutory fines	6	6	14,516	11,284
Sale of goods and services	1,819	1,505	9	4
Natural disaster funding	–	–	–	–
Other income	9,874	55,536	22,919	8,769
Total administered income from transactions	**1,703,878**	**1,644,268**	**37,444**	**20,057**
ADMINISTERED EXPENSES FROM TRANSACTIONS				
Payments into the consolidated fund	(1,703,878)	(1,644,268)	(15,550)	(11,989)
Assets provided free of charge to the Australian Rail Track Corporation	–	–	–	–
Natural disaster expenditure	–	–	–	–
CityLink concession deed expense (refer Note 21(b))	–	–	–	–
Other expenses	–	–	(21,920)	(10,569)
Total administered expenses from transactions	**(1,703,878)**	**(1,644,268)**	**(37,470)**	**(22,558)**
Total administered comprehensive result	**–**	**–**	**(26)**	**(2,501)**
ADMINISTERED FINANCIAL ASSETS				
Cash and receivables[i]	660	–	24,103	24,102
Funds held in trust	7,504	–	1,504	1,610
Total administered financial assets	**8,164**	**–**	**25,607**	**25,712**
ADMINISTERED LIABILITIES				
Creditors and payables	8,264	–	1,518	4,609
Deferred CityLink redevelopment income (refer note 21 (b))	–	–	–	–
Total administered liabilities	**8,264**	**–**	**1,518**	**4,609**
Total administered net assets	**(100)**	**–**	**24,089**	**21,103**

(i) Administered receivables in 2011–12 comprises of $42,698 million (2011: $43.425 million) less $20,664 million (2011: $19.447 million) provision for doubtful debts.

Integrated Transport Planning, Delivery and Management		TOTAL	
2012 Group $'000	**2011 $'000**	**2012 Group $'000**	**2011 $'000**
–	–	994,722	912,900
–	–	581,265	576,059
–	–	67,935	52,482
27,942	27,366	27,942	27,366
–	–	25,656	23,143
–	–	22,601	22,637
–	–	14,522	11,290
22	4	1,850	1,513
–	34,185	–	34,185
44	927	32,837	65,232
28,008	**62,482**	**1,769,330**	**1,726,807**
(66)	(220)	(1,719,494)	(1,656,477)
–	(120,423)	–	(120,423)
–	(34,185)	–	(34,185)
(31,677)	(31,241)	(31,677)	(31,241)
–	–	(21,920)	(10,569)
(31,743)	**(186,069)**	**(1,773,091)**	**(1,852,895)**
(3,735)	**(123,587)**	**(3,761)**	**(126,088)**
–	–	24,763	24,102
–	6,903	9,008	8,513
–	**6,903**	**33,771**	**32,615**
–	3,991	9,782	8,600
338,200	334,465	338,200	334,465
338,200	**338,456**	**347,982**	**343,065**
(338,200)	**(331,553)**	**(314,211)**	**(310,450)**

Note 21. Administered (non-controlled) items (continued)

(b) CityLink Concession Deed

Summary of CityLink Concession Deed income, expenses, assets and liabilities:	2012 $'000	2011 $'000
CityLink concession notes income		
Concession notes revenue	27,942	27,366
Total CityLink concession notes income	**27,942**	**27,366**
CITYLINK EXPENSE		
CityLink concession notes deferred revenue revaluation increment	(31,677)	(31,241)
Total CityLink expense	**(31,677)**	**(31,241)**
Net income	**(3,735)**	**(3,875)**
CITYLINK LIABILITIES		
Present value of deferred CityLink revenue [i]	338,200	334,465
Total CityLink liabilities	**338,200**	**334,465**
CASH FLOWS RELATING TO CONCESSION NOTES		
Goods and services tax collected	9,560	9,560
Goods and services tax paid to the Australian Taxation Office	(9,560)	(9,560)
Net Cash Flow	**–**	**–**
RECONCILIATION OF THE PRESENT VALUE OF DEFERRED CITYLINK REVENUE		
Present value at the beginning of the year	334,465	330,589
Concession notes revenue	(27,942)	(27,365)
Revaluation increment	31,677	31,241
Present value at the end of the year	**338,200**	**334,465**

(i) The present value of deferred CityLink revenue is the value of the concession notes revenue due to be received by the Victorian Government in future periods in accordance with the Melbourne CityLink Concession Deed. (refer following page)

(c) Private provision of public infrastructure

Melbourne CityLink

The Roads Corporation (Corporation) manages the statutory functions and powers of the State under the *Melbourne City Link Act 1995*. These functions and powers include the administration of the contractual arrangements, revenue and assets of the CityLink Project.

In accordance with the Melbourne City Link Act, (amongst others, the State, CityLink Melbourne Limited (CML)) entered into the Melbourne City Link Concession Deed with effect as at and from on 30 October 1995. Under the terms of the Concession Deed, CML is responsible for the construction, financing and operation of the City Link road network during the concession period that is currently expected to expire on 14 January 2034.

The Concession Deed requires CML to pay to the State specified concession fees at specified intervals during the concession period. In accordance with the Concession Deed, CML has exercised an option to meet its obligations to pay concession fees by way of issuing concession notes. These notes are non-interest bearing promissory notes payable by CML at the end of the concession period or earlier in the event of CML achieving certain financial profitability levels and cash flows.

The State, CML and Transurban Infrastructure Management Limited (TIML) entered into the M1 Corridor Deed of Assignment on 25 July 2006. Under the terms of the Deed of Assignment, all concession notes held by, and due to be issued to the State in accordance with the Concession Deed, have been assigned to TIML for a defined payment stream over a four year period ending 30 June 2010.

The concession notes and related revenues are not recognised as the Department's revenue, assets and liabilities. Details of the concession notes and related revenues are disclosed in Note 21(b).

The value of concession notes due to be received by the State in accordance with the Concession Deed, has been disclosed at the present value of concession notes to be issued in future periods by CML. The present value of the concession notes has been calculated based on an interest rate implied in the estimated concession note redemption profile included in the Deed of Assignment. The present value of the concession notes is disclosed as deferred City Link revenue.

The Concession Deed provides for CML to lease certain land and road infrastructure from the State during the concession period. At the end of this period, the assets are to be returned together with the transfer of the City Link road to the State. There is, currently, no authoritative accounting guidance applicable to the recognition and measurement of the State's right to receive the City Link road from CML at the end of the concession period. In the absence of such guidance, there has been no change to the existing policy and the right has not been recognised as an administrative asset in the financial statements.

EastLink

The Corporation manages the statutory functions and powers of the State under the *EastLink Project Act 2004*. These functions and powers include the management of agreements concerning the development, delivery and operation of the EastLink Project.

The State and ConnectEast Pty Ltd (ConnectEast), amongst others, entered into the EastLink Concession Deed on 14 October 2004. Under the terms of the Concession Deed, ConnectEast is responsible for the construction, financing and operation of the EastLink Project. ConnectEast has a right to operate the EastLink road network for the duration of the concession period which is due to expire on 30 November 2043.

The Concession Deed provides for ConnectEast to lease certain land from the State during the concession period. At the end of this period, the land is to be returned together with the transfer of the EastLink road network to the State. There is, currently, no authoritative accounting guidance applicable to the recognition and measurement of the State's right to receive the EastLink road network from ConnectEast at the end of the service concession period. In the absence of such guidance, there has been no change to the existing policy and the right has not been recognised as an administrative asset in the financial statements.

Note 22. Annotated income agreements

The following is a listing of Section 29 annotated income agreements approved by the Treasurer.

	2012 Group $'000	2011 $'000
COMMONWEALTH SPECIFIC PURPOSE PAYMENTS		
Nation building road project grants	834,797	312,229
Nation building rail project grants	479,067	266,399
Interstate road transport registration charges	21,602	19,725
National reciprocal transport concessions	1,834	1,732
Total annotated income agreements	**1,337,300**	**600,085**

Note 23. Trust account balances

The following is a listing of trust account balances relating to trust accounts controlled and administered by the Department.

Cash and cash equivalents	2012 Group $'000	2011 $'000
CONTROLLED TRUSTS		
Public Transport Fund	255,791	306,702
Better Roads Victoria Trust Account	476,204	344,347
Treasury Trust Fund	26,966	29,186
Total controlled trusts	**758,961**	**680,235**
ADMINISTERED TRUSTS		
Treasury Trust Fund	9,240	8,743
Public Service Commuter Club	(232)	(230)
Total administered trusts	**9,008**	**8,513**
Total trust account balances	**767,969**	**688,748**

Note 24. Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and accountable officers' in the Department are as follows:

Minister for Roads and Minister for Public Transport	Hon. Terry Mulder MP	1 July 2011 to 30 June 2012
Minister for Ports	Hon. Dr Denis Napthine MP	1 July 2011 to 30 June 2012
Secretary, Department of Transport	Mr Jim Betts	1 July 2011 to 30 June 2012
Chief Executive, Public Transport Victoria	Mr Ian Dobbs	22 December 2011 to 30 June 2012

Directors of the Board (PTV):

Chairman	Mr Ian Dobbs	Appointed 12 December 2011
Director	Mr Douglas Bartley	Appointed 12 December 2011
Director	Mr Michael Taylor AO	Appointed 12 December 2011

Director of the Board (Metlink):

Director	Mr Ian Dobbs	2 April 2012 to 30 June 2012*

** On the 21 June 2012 an application was made to ASIC to deregister Metlink. Metlink was subsequently deregistered on 26 August 2012.*

Remuneration

Total remuneration received or receivable by the accountable officer in connection with the management of the Department of Transport during the reporting period was in the range of $400,000–$409,999 ($380,000–$389,999 in 2010–11).

Remuneration amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

The number of responsible persons whose remuneration from PTV was within the specified bands were as follows:

Income band	**Total Remuneration 2012 Number**
$20,000 – 29,999	2
$230,000 – 239,999	1
Total numbers	**3**
Total amount	**$292,886**

Other transactions

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Note 25. Remuneration of executives

The numbers of executive officers, other than ministers and the accountable officer, and their total remuneration during the reporting period are shown in the table below in their relevant income bands. Base remuneration is exclusive of bonus payments, long service leave payments, redundancy payments and retirement benefits.

The table below shows remuneration details for the executive officers of DOT from 1 July to 30 June 2012:

	Total remuneration		**Base remuneration**	
Income band	**2012 No.**	**2011 No.**	**2012 No.**	**2011 No.**
Less than $100,000	4	19	4	22
$100,000–109,999	1	1	1	1
$110,000–119,999	2	–	4	3
$120,000–129,999	1	3	1	–
$130,000–139,999	2	1	4	3
$140,000–149,999	4	3	1	2
$150,000–159,999	4	2	8	6
$160,000–169,999	3	8	4	5
$170,000–179,999	3	6	4	5
$180,000–189,999	7	2	9	8
$190,000–199,999	3	7	3	5
$200,000–209,999	5	4	1	3
$210,000–219,999	3	3	–	–
$220,000–229,999	1	1	1	2
$230,000–239,999	–	–	6	–
$240,000–249,999	1	2	1	6
$250,000–259,999	4	4	2	2
$260,000–269,999	3	4	1	3
$270,000–279,999	1	1	1	1
$280,000–289,999	–	4	2	–
$290,000–299,999	1	–	–	1
$300,000–309,999	1	–	–	1
$310,000–319,999	1	1	2	–
$320,000–329,999	1	–	–	–
$340,000–349,999	2	1	–	–
$350,000–359,999	–	2	–	–
$370,000–379,999	1	–	–	–
$500,000–509,999	1	–	–	–
Total numbers*	**60**	**79**	**60**	**79**
Total annualised employee equivalent	**51.1**	**59.0**	**51.1**	**59.0**
Total amount	**$12,169,579**	**$12,967,393**	**$10,529,623**	**$11,561,267**

* *The 2011–12 figures do not include temporary executive officer holders on higher duties.*

The table below is remuneration details for the executive officers of PTV from 2 April to 30 June 2012:

Income Band	Total Remuneration PTV No.	Base Remuneration PTV No.
Less than $100,000	17	17
Total numbers	**17**	**17**
Total annualised employee equivalent**	**4.58**	**4.58**
Total amount	**$788,630**	**$788,630**

** *The annualised employee equivalent is based on 14 weeks PTV employment (2 April to 30 June 2012).*

Note 26. Remuneration of auditors

Audit fees paid or payable to the Victorian Auditor-General's Office for audit of the Department's financial statements:

	2012 Group $'000	2011 $'000
Paid as at 30 June	188	127
Payable as at 30 June*	156	152
Total remuneration of auditors	**344**	**279**

The Victorian Auditor-General's Office has not provided the Department with any other paid services.

* *Included in this amount is $55,000 payable by PTV.*

Note 27. Taxi Services Commission

The Taxi Services Commission (TSC) commenced its operations on 19 July 2011.

TSC is tasked with conducting a major independent inquiry into the Victorian taxi and hire car industry, focusing on core issues related to customer service, safety and the roles and accountabilities of industry participants.

Upon the conclusion of the inquiry phase, it is anticipated that TSC will assume the role of regulator for the taxi industry, a role that currently resides with DOT. The projected time frame for this is in the 2012–13 reporting period.

Note 28. Public Transport Victoria

The following material financial information of PTV and its wholly owned subsidiary of Metlink is for the period ending 30 June 2012. The financials show 'Consolidated' which represents PTV and Metlink and 'Parent' which represents PTV only:

» PTV Establishment

» PTV 2011–12 Annual Financial Report

(i) Comprehensive operating statement

(ii) Balance sheet

(iii) Statement of changes in equity

(iv) Cash flow statement

(v) Expenses from transactions

(vi) Cash and deposits

(vii) Property, plant and equipment and intangible assets

(viii) Liabilities

(ix) Commitments and contingencies

(a) PPP related commitments – Southern Cross Station

(b) Commitments payable

(c) Contingent assets

(d) Contingent liabilities

(x) Acquisition of Metlink

(xi) Responsible persons

PTV establishment

PTV is the statutory authority which administers Victoria's train, tram and bus services. It provides a single contact point for customers seeking information on public transport services, fare, tickets and initiatives.

Amendments made to the Transport Integration Act were designed to commence in stages to enable the establishment of PTV and to provide for the orderly transition to the PTV from existing agencies.

The first stage formally established PTV as an entity on 15 December 2011. It also conferred with it a statutory charter including an object, functions, general powers and management arrangements.

The second stage enabled PTV to assume formally the functions and powers of the Director of Public Transport on 2 April 2012. This was accompanied by the transfer of the relevant employees, assets and liabilities from DOT to PTV on that date. The second stage also involved the acquisition of Metlink on 2 April 2012.

Further stages are scheduled to occur in 2012–2013 and will formally abolish the office of the Director of Public Transport and the TTA.

PTV 2011-12 Annual Financial Report

Pursuant to section 53(1)(b) of the Financial Management Act, the Minister for Finance granted the approval for DOT to prepare a composite report for its 2011–12 annual report that incorporates the report of operations and financial statements of PTV and its controlled entity of Metlink. In preparing the Department's financial statements, all material transactions and balances between DOT and PTV are eliminated. The Department has elected not to present consolidated financial statements for 2011–12 as provided for in AASB 127. The Department has instead presented the consolidated financial statements in the format of a 'Group' with PTV's financial information for the period to 30 June 2012 separately disclosed in this Note.

For the 2012–13 and subsequent reporting periods, PTV will prepare separate annual financial statements.

(i) Comprehensive operating statement for the period 15 December 2011 to 30 June 2012

	Consolidated 2012 $'000	Parent 2012 $'000
INCOME FROM TRANSACTIONS		
Grants from DOT	998,999	998,999
Fair value of assets and services received free of charge*	107,873	108,419
Operators' contribution for marketing and communications	2,057	2,057
Interest	1,186	1,186
Gain on acquisition of Metlink	546	–
Other income	655	655
Total income from transactions	**1,111,316**	**1,111,316**
EXPENSES FROM TRANSACTIONS		
Payments to service providers and transport agencies	(946,928)	(946,928)
Supplies and services	(18,770)	(18,770)
Employee expenses	(12,803)	(12,803)
Interest expense	(8,120)	(8,120)
Depreciation and amortisation	(6,615)	(6,615)
Capital asset charge	(1,788)	(1,788)
Fair value of assets and services provided free of charge	(968)	(968)
Total expenses from transactions	**(995,992)**	**(995,992)**
Comprehensive result	**115,324**	**115,324**

** Includes $107,119m transferred as a result of machinery of government changes from DOT to PTV on 2 April 2012 (refer Notes 1(p) and 3(ii)).*

Note 28. Public Transport Victoria (continued)

(ii) Balance sheet as at 30 June 2012

	Consolidated 2012 $'000	Parent 2012 $'000
ASSETS		
Financial assets		
Cash and deposits	56,299	56,299
Receivables	393,130	393,130
Total financial assets	**449,429**	**449,429**
Non-financial assets		
Prepayments	9,594	9,594
Inventories	162	162
Property, plant and equipment	1,144,018	1,144,018
Intangible assets	12,171	12,171
Total non-financial assets	**1,165,945**	**1,165,945**
Total assets	**1,615,374**	**1,615,374**
LIABILITIES		
Payables	449,093	449,093
Borrowings	376,191	376,191
Provisions	291,166	291,166
Total liabilities	**1,116,450**	**1,116,450**
Net assets	**498,924**	**498,924**
EQUITY		
Contributed capital	383,600	383,600
Accumulated surplus/(deficit)	115,324	115,324
Net worth	**498,924**	**498,924**

(iii) Statement of changes in equity for the period ended 30 June 2012 – Consolidated

	Note	Contributions by Owner $'000	Accumulated Surplus $'000	Consolidated Total $'000
Balance as at 15 December 2011		**–**	**–**	**–**
Net result for the year		–	115,324	115,324
Administrative restructure – net assets received from DOT	3(ii)	398,888	–	398,888
Capital contributions funding from DOT during the year		225,905	–	225,905
Capital contributions to VicTrack	3(vii)	(241,193)	–	(241,193)
Balance as at 30 June 2012		**383,600**	**115,324**	**498,924**

Statement of changes in equity for the period ended 30 June 2012 – Parent

	Note	Contributions by Owner $'000	Accumulated Surplus $'000	Parent Total $'000
Balance as at 15 December 2011		**–**	**–**	**–**
Net result for the year		–	115,324	115,324
Administrative restructure – net assets received from DOT	3(ii)	398,888	–	398,888
Capital contributions funding from DOT during the year		225,905	–	225,905
Capital contributions to VicTrack	3(vii)	(241,193)	–	(241,193)
Balance as at 30 June 2012		**383,600**	**115,324**	**498,924**

Note 28. Public Transport Victoria (continued)

(iv) Cash flow statement for the period ending 30 June 2012

	Consolidated 2012 $'000	Parent 2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Receipts from DOT	861,031	861,031
Farebox revenue (received from TTA passed to DOT)	150,463	150,463
Goods and Services Tax recovered from the ATO	73,412	73,412
Receipts from operators	2,056	2,056
Interest received	1,186	1,186
Other receipts	182	182
Total receipts	**1,088,330**	**1,088,330**
Payments		
Payments to service providers	(869,622)	(869,622)
Farebox revenue (remitted to DOT)	(150,463)	(150,463)
Payments to suppliers and employees	(30,709)	(30,709)
Goods and Services Tax paid to the ATO	(18,780)	(18,780)
Capital asset charge	(1,788)	(1,788)
Total payments	**(1,071,362)**	**(1,071,362)**
Net cash flows from/(used in) operating activities	**16,968**	**16,968**
Cash flows from investing activities		
Payments for property, plant and equipment	(132,031)	(132,031)
Payments for intangible assets	(315)	(315)
Cash received from activity transferred in	14,749	14,749
Net cash flows from/(used in) investing activities	**(117,597)**	**(117,597)**
Cash flows from financing activities		
Proceeds from capital contributions by DOT	157,000	157,000
Repayments of finance lease liabilities	(72)	(72)
Net cash flows from/(used in) financing activities	**156,928**	**156,928**
Net increase/(decrease) in cash and cash equivalents	**56,299**	**56,299**
Cash and cash equivalents at the beginning of the financial period	–	–
Cash and cash equivalents at the end of the financial period	**56,299**	**56,299**

(v) Expenses from transactions

	Consolidated 2012 $'000	Parent 2012 $'000
(A) PAYMENTS TO SERVICE PROVIDERS AND TRANSPORT AGENCIES		
Rail system operation and related services	(383,016)	(383,016)
Grant to VicTrack for capital asset charge	(324,008)	(324,008)
Total rail services	**(707,024)**	**(707,024)**
Bus services	(239,823)	(239,823)
Other	(81)	(81)
Total payments to service providers and transport agencies	**(946,928)**	**(946,928)**
(B) SUPPLIES AND SERVICES		
Administration and information technology	(5,488)	(5,488)
Accommodation	(1,656)	(1,656)
Cost of goods sold/distributed	(348)	(348)
Grants for community and social benefits	(104)	(104)
Insurance, legal and internal audit fees	(9)	(9)
Other	(11,165)	(11,165)
Total supplies and services	**(18,770)**	**(18,770)**
(C) EMPLOYEE EXPENSES		
Salaries and wages	(10,265)	(10,265)
Annual leave and long services leave expenses	(740)	(740)
Superannuation (excluding salary sacrifice)	(901)	(901)
Other on-costs (fringe benefits tax, payroll tax and work cover levy)	(897)	(897)
Total employee expenses	**(12,803)**	**(12,803)**

Note 28. Public Transport Victoria (continued)

(v) Expenses from transactions (continued)

	Consolidated 2012 $'000	Parent 2012 $'000
(D) DEPRECIATION AND AMORTISATION		
Depreciation and amortisation of property, plant and equipment		
Buildings	(2,980)	(2,980)
Infrastructure assets	(2,347)	(2,347)
Plant and equipment	(56)	(56)
Leasehold improvements	(504)	(504)
Leased vehicles	(74)	(74)
Cultural assets	(19)	(19)
Total for property, plant and equipment	**(5,980)**	**(5,980)**
Amortisation		
Intangible assets	(635)	(635)
Total for intangibles	**(635)**	**(635)**
Total depreciation and amortisation	**(6,615)**	**(6,615)**

(vi) Cash and deposits

	Consolidated 2012 $'000	Parent 2012 $'000
Cash at bank and on hand	26,299	26,299
Funds at call	30,000	30,000
Balance as per cash flow statement	**56,299**	**56,299**

(vii) Property, plant, equipment and intangible assets

	Consolidated 2012 $'000	Parent 2012 $'000
LAND AT FAIR VALUE		
At written down valuation 2010	333,771	333,771
Total land	**333,771**	**333,771**
BUILDINGS AT FAIR VALUE		
At written down valuation 2010	500,941	500,941
Less: accumulated depreciation	(2,980)	(2,980)
Total buildings	**497,961**	**497,961**
INFRASTRUCTURE AT FAIR VALUE		
At written down valuation 2010	140,528	140,528
Less: accumulated depreciation	(2,347)	(2,347)
Total infrastructure	**138,181**	**138,181**
PLANT AND EQUIPMENT AT FAIR VALUE		
At written down valuation 2010	1,292	1,292
Less: accumulated depreciation	(608)	(608)
Total plant and equipment	**684**	**684**
LEASEHOLD IMPROVEMENT AT FAIR VALUE		
At cost of acquisition	6,003	6,003
Less: accumulated amortisation	(504)	(504)
Total buildings leasehold	**5,499**	**5,499**
LEASED VEHICLES AT FAIR VALUE		
At cost of acquisition	1,270	1,270
Less: accumulated amortisation	(428)	(428)
Total leased vehicles	**842**	**842**
CULTURAL ASSETS AT FAIR VALUE		
At written down valuation 2010	1,287	1,287
Less: accumulated depreciation	(19)	(19)
Total cultural assets	**1,268**	**1,268**
ASSETS UNDER CONSTRUCTION AT COST		
Infrastructure	160,812	160,812
Leasehold improvements	5,000	5,000
Total property under construction	**165,812**	**165,812**
Net carrying amount of property, plant and equipment	**1,144,018**	**1,144,018**

Note 28. Public Transport Victoria (continued)

(viii) Liabilities

Borrowings	Consolidated 2012 $'000	Parent 2012 $'000
CURRENT BORROWINGS		
Motor vehicle lease liability	484	484
Total current borrowings	**484**	**484**
NON-CURRENT BORROWINGS		
Motor vehicle lease liability	367	367
Southern Cross Station Transport Interchange Facility liability (refer Note 19 for details)	375,340	375,340
Total non-current borrowings	**375,707**	**375,707**
Total borrowings	**376,191**	**376,191**

Provisions	Consolidated 2012 $'000	Parent 2012 $'000
CURRENT		
Annual leave entitlements	4,558	4,558
Unconditional long service leave entitlements	4,663	4,663
Fringe benefits tax	64	64
Accrued performance incentive	370	370
On-costs for employee benefits	1,485	1,485
Provision for the employee entitlements of rail operators	2,398	2,398
Total current provisions for employee benefits	**13,538**	**13,538**
NON-CURRENT		
Conditional long service leave entitlements	2,124	2,124
On-costs for employee benefits	329	329
Provision for the employee entitlements of rail operators	275,175	275,175
Total non-current provisions for employee benefits	**277,628**	**277,628**
Total provisions	**291,166**	**291,166**

(ix) Commitments and contingencies for PTV as at 30 June 2012

Commitments

The following commitments have not been recognised as liabilities in the financial statements.

(a) PPP related commitments – Southern Cross Station

The Southern Cross Station Authority (SCSA) was abolished on 31 July 2009. All future lease commitments of the SCSA immediately before its abolition were vested in the Secretary to the Department of Transport on behalf of the State. This included the leasing arrangements with Civic Nexus Pty Ltd (CNPL).

Upon formation of PTV and as part of the Public Private Partnership (PPP) arrangement, the contract commitments to CNPL were transferred from the Secretary to PTV. These commitments include operating and finance lease interest costs that extend until 30 June 2036.

PTV makes quarterly payments over a 30 year operating period which commenced on 27 April 2005. These future payments are subject to abatement in accordance with the terms and conditions of the SDA. The quarterly payments reimburse CNPL for the annual operating, maintenance and insurance costs. The Net Present Value (NPV) is calculated using a discount rate of 8.65 per cent per annum and an inflation rate of 2.5 per cent per annum or actual inflation, which ever is higher.

The nominal amounts for the operation and maintenance commitment below represents the charges payable under the SDA at the end of the reporting period.

	NPV	Parent 2012 $'000
Southern Cross Station commitments	553,422	1,417,850
Less PPP related finance lease liabilities (Note 19)	(375,340)	(949,247)
Total PPP operation and maintenance commitment (Note 15(b))	**178,082**	**468,603**

Note 28. Public Transport Victoria (continued)

(b) Commitments payable	Parent 2012 $'000
RAIL SERVICE COMMITMENTS	
Payable:	
Not longer than one year	2,074,587
Longer than one year but not longer than five years	3,680,763
Longer than five years	625,276
Rail commitments (inclusive of GST)	**6,380,626**
Less: GST recoverable from the ATO	(580,057)
Rail commitments (exclusive of GST)	**5,800,569**
BUS COMMITMENTS	
Payable:	
Not longer than one year	1,017,145
Longer than one year but not longer than five years	2,568,728
Longer than five years	848,169
Bus commitments (inclusive of GST)	**4,434,042**
Less: GST recoverable from the ATO	(403,095)
Bus commitments (exclusive of GST)	**4,030,947**
CAPITAL EXPENDITURE COMMITMENTS	
Payable:	
Not longer than one year	212,353
Longer than one year but not longer than five years	264,908
Longer than five years	–
Capital expenditure commitments (inclusive of GST)	**477,261**
Less: GST recoverable from the ATO	(43,387)
Capital expenditure commitments (exclusive of GST)	**433,874**
PPP OPERATION AND MAINTENANCE COMMITMENTS	
Minimum lease payments for non-cancellable leases payable:	
Within one year	16,035
Longer than one year but not longer than five years	68,249
Longer than five years	431,179
Lease commitments (inclusive of GST)	**515,463**
Less: GST recoverable from the ATO	(46,860)
Lease commitments (exclusive of GST)	**468,603**
Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	–
TOTAL COMMITMENTS	
Total Commitments (inclusive of GST)	11,807,392
Less: GST recoverable from the ATO	(1,073,399)
Total commitments (exclusive of GST)	**10,733,993**

** There are no commitments for Metlink.*

Rail and bus commitments

The Director and/or Secretary entered into a number of contracts with private operators to provide Victoria's train, tram and bus services. The current contracts with Metro Trains Melbourne (MTM) and Yarra Trams (KDR) commenced on 30 November 2009 and have an initial franchise period of eight years (with the possibility of a seven-year extension). Under the terms of these franchise contracts, the subsidies are provided for transport services and capital commitments. All of the contracts were transferred from the Director of Public Transport and/or Secretary to PTV on 2 April 2012.

The commitments with MTM and Yarra Trams have been calculated up to the end of the initial franchise period with the exception of the rolling stock lease payments for which PTV is legally committed beyond the initial franchise period.

As per the franchise agreements the train and tram franchisees are entitled to a New Ticketing Revenue Guarantee Payment (in lieu of farebox revenue) which will continue to be paid until approximately one year after the last metcard ticket is sold. The farebox revenue is currently being received in its entirety by PTV and will be distributed to franchisees from the date after the New Ticketing Revenue Guarantee Payment ceases to be paid.

Bus services are covered by long term contracts established in recent years and this is reflected in the bus commitment calculation. The exception is the metropolitan bus service contracts for the orbital, National Bus Company and Melbourne Bus Link services which are contracted until the end of July 2013 to enable adequate time to tender the services and establish a new long term contract.

Metlink Victoria Pty Ltd

In addition, to the train and tram arrangements, an industry wide body, Metlink was responsible for providing and overseeing network-wide ticketing, marketing, information and complaints handling services. Metlink's operations and financial commitments were transferred to PTV on 2 April 2012. The Metlink Services Agreement was terminated on 2 April 2012. On the 21 June 2012 an application was made to ASIC to deregister Metlink. Metlink was subsequently deregistered on 26 August 2012.

V/Line rail services

V/Line rail services reverted to government control with a partnership arrangement established for the period from 1 October 2003. The current franchise agreement expires on 31 December 2012 (with the possibility of a one-year extension).

V/Line commitments have been presented up until 31 December 2013 to reflect the possibility that the franchise period extension will be exercised. PTV is legally committed to make V/Line rolling stock lease payments beyond 31 December 2012.

Capital expenditure commitments

Capital expenditure commitments include contracts for capital projects relating to infrastructure and transport related projects separate and in addition to the commitments entered into through the partnership agreement (which include rolling stock and branding projects). These commitments have been signed prior to 30 June 2012 and have established a legal and binding obligation on PTV to make future payments.

Note 28. Public Transport Victoria (continued)

(c) Contingent assets

Contingent assets arise from guarantees, indemnities and other forms of support provided to the Authority and from legal disputes and other claims by the Authority arising from a past event. Contingent assets by definition are similar to an asset with the distinguishing feature being the uncertainty over the Authority's entitlement.

PTV has no contingent assets.

(d) Contingent liabilities

Contingent liabilities arise from guarantees, indemnities and other forms of support provided by the Authority and from legal disputes and other claims against the Authority arising from a past event. Contingent liabilities by definition are similar to a liability with the distinguishing feature being the uncertainty over the Authority's obligation.

Unquantifiable contingent liabilities

Public transport rail partnership agreements

The Director of Public Transport, on behalf of the Crown, entered into partnership contractual arrangements with franchisees to operate metropolitan rail transport services in the State, operative from 30 November 2009 until 30 November 2017. On 2 April 2012 PTV became the successor party to the Director of Public Transport. The following summarises the major contingent liabilities arising from the contractual arrangements in the event of early termination or expiry of the partnership contractual agreement, which are:

Partnership assets

To maintain continuity of services, at early termination or expiry of the franchise agreement, assets will revert to PTV or a successor. In the case of some assets, a reversion back to PTV would entail those assets being purchased.

Unfunded Superannuation

At the early termination or expiry of the contract, PTV will assume any unfunded superannuation amounts (apart from contributions the operator is required to pay over the contract term) to the extent that the State becomes the successor operator.

Adjusted Escrow in the Services and Development Agreement

PTV has notice of a dispute with Civic Nexus Pty Ltd about certain payments under the Southern Cross Station Interchange Facility – Services and Development Agreement – Civic Nexus. The dispute may have payment implications. The information usually required by *AASB 137 Provisions, Contingent Liability and Contingent Assets* is not disclosed on the grounds it can be expected to prejudice PTV's position in the management of this dispute.

Metro Rolling Stock – Craigieburn Train Maintenance Facility

PTV has received notices of disputes with John Holland Pty Ltd in relation to a number of claims arising from a design and construction contract for the Craigieburn Train Maintenance Facility. The dispute may have payment implications. The information usually required by AASB 137 Provisions, Contingent Liability and Contingent Assets is not disclosed on the grounds it can be expected to prejudice PTV's position in the management of this dispute.

Quantifiable contingent liabilities

Details and estimates of other contingent liabilities are as follows:

	2012 Parent* $'000
Legal disputes	1,069
Personal injury	2,102
Total	**3,171**

** There are no contingent assets and liabilities for Metlink.*

(x) Acquisition of Metlink

On 2 April 2012, PTV acquired 100 per cent of Metlink Victoria Pty Ltd (Metlink) through a share acquisition of $2. The $2 cash payment was made to the owners of Metlink, Keolis Downer EDI Rail and Metro Trains Melbourne.

As part of the acquisition, all Metlink employees, assets and liabilities were transferred to PTV on 2 April 2012. On 21 June 2012 an application was made to ASIC to degister Metlink. Metlink was subsequently deregistered on 26 August 2012.

Details of the fair value of the assets and liabilities of Metlink acquired and the gain on acquisition on 2 April 2012 are listed below and in Note 3(iv).

The following net assets were transferred to PTV on acquisition of Metlink:

	Note	**2012 $'000**
ASSETS		
Cash		13,122
Trade and other receivables		2,463
Prepayments		186
Inventories		323
Property, plant and equipment		258
LIABILITIES		
Trade creditors and payables		(2,655)
Other payables		(1,351)
Deferred Income		(10,214)
Employee provisions		(1,586)
Net assets transferred to PTV	3(iv)	**546**

Note 28. Public Transport Victoria (continued)

(xi) Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the Financial Management Act, the following disclosures are made regarding responsible persons for the reporting period.

Names

The names of persons who were Responsible Persons of the Consolidated Entity at any time during the financial year were:

Responsible Minister:

Hon. Terry Mulder MP, Minister for Roads and Minister for Public Transport (1 July 2011 to 30 June 2012)

Directors of the Board (PTV):

Chairman	Mr Ian Dobbs	Appointed 12 December 2011
Director	Mr Douglas Bartley	Appointed 12 December 2011
Director	Mr Michael Taylor AO	Appointed 12 December 2011

Accountable Officer (PTV):

Mr Ian Dobbs – Chief Executive (appointed 22 December 2011)

Director of the Board (Metlink):

Mr Ian Dobbs – appointed 2 April 2012*

** On 21 June 2012 an application was made to ASIC to deregister Metlink. Metlink was subsequently deregistered on 26 August 2012.*

Remuneration of responsible persons

Remuneration amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet.

The number of responsible persons whose remuneration from PTV was within the specified bands were as follows:

Income band	Total Remuneration 2012 Number
$20,000 – 29,999	2
$230,000 – 239,999	1
Total numbers	**3**
Total amount	**$292,886**

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report.

Note 29. Subsequent events

Victorian Public Service Workplace Determination 2012

The Victorian Public Service Workplace Determination 2012 was made by Fair Work Australia on 23 July 2012, which replaces the 2009 Extended and Varied Version of the Victorian Public Service Agreement 2006. The Workplace Determination takes effect from 29 July 2012 and will remain in force until 31 December 2015. The Workplace Determination provides for wage increases of 3.25 per cent and 1.25 per cent on 1 July 2012 and 1 January 2013 respectively, with six monthly wage increases thereafter. A lump sum payment of $1,500 (or equivalent pro-rata amount for part time employees) will also be payable to eligible Victorian Public Service employees who received a salary on 1 July 2012 and were employed on 29 July 2012.

As the Workplace Determination takes effect from 29 July 2012, no adjustments have been made to the financial statements as at 30 June 2012.

DOT staff who transferred to PTV on 2 April 2012, did so on the terms and conditions that were in place at that time – the 2009 Extended and Varied Version of the Victorian Public Service Agreement 2006. This Agreement continues to apply until PTV establishes its own enterprise agreement, which is planned to occur during 2012-13. The changes to the VPS Agreement, as a result of the VPS Workplace Determination on 23 July 2012, do not apply to PTV staff. As a result the VPS wage outcome does not form part of PTV staff entitlements.

Voluntary Departure Packages

The Victorian Government announced its intention to reduce the number of public servants in non-service delivery and back-office roles, with key frontline service delivery areas being exempted. The reductions will be achieved through a combination of natural attrition, a freeze on recruitment, the lapsing of fixed term contracts and the offering of Voluntary Departure Packages (VDPs) to encourage voluntary redundancies.

The process for VDPs was announced by the Department on 3 September 2012 and commenced on the 6 September 2012. No adjustments have been made to the 2011–12 financial statements as the criteria for recognising expenditure and a termination benefits liability relating to the voluntary departure packages had not been met based on the requirements of AASB 119 Employee Benefits.

The Department is not able to make a reliable estimate of the financial effect of the VDPs, as the number and classification of staff that will take up VDPs is not known. The Department anticipates that the VDP process will be completed before 31 December 2013.

Note 30. Glossary of terms

Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an other economic flow.

Borrowings

Borrowings refers to interest bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, finance leases and other interest bearing arrangements. Borrowings also include non-interest bearing advances from government that is acquired for policy purposes.

Comprehensive result

Total comprehensive result is the change in equity for the period other than changes arising from transactions with owners. It is the aggregate of net result and other non-owner changes in equity.

Capital Asset Charge

The capital asset charge represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources.

Current Grants

Amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transaction'.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

(a) cash;

(b) an equity instrument of another entity;

(c) a contractual right or statutory right:

- » to receive cash or another financial asset from another entity; or
- » to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or

(d) a contract that will or may be settled in the entity's own equity instruments and is:

- » a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
- » a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial liability

A financial liability is any liability that is:

(a) A contractual or statutory obligation:

- » to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments and is:

- » a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
- » a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

Financial statements

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

Grants and other transfers

Transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature. While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits in the form of goods or services to particular taxpayers in return for their taxes. For this reason grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers.

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use.

Grants for on-passing

All grants paid to one institutional sector (e.g. a state general government) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

Intangible assets

Intangible assets represent identifiable non-monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and non-employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest income includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

Net acquisition of non-financial assets (from transactions)

Purchases (and other acquisitions) of non-financial assets less sales (or disposals) of non-financial assets less depreciation plus changes in inventories and other movements in non-financial assets. Includes only those increases or decreases in non-financial assets resulting from transactions and therefore excludes write-offs, impairment write-downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non-owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non-financial assets

Non-financial assets are all assets that are not 'financial assets'.

Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes gains and losses from disposals; revaluations and impairments of non-current physical and intangible assets; actuarial gains and losses arising from defined benefit superannuation plans; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal. In simple terms, other economic flows are changes arising from market re-measurements.

Note 30. Glossary of terms (continued)

Payables

Includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

Receivables

Includes amounts owing from government through appropriation receivable, short and long term credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

Sales of goods and service

Refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services, work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non-produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs incurred in the normal operations of the Department.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

Appendices

Contents

DOT People Profile

Comparative workforce data(i)(ii)

Full time equivalents (FTE) staffing trends from 2008 to 2012

2012	*2011*	*2010*	*2009*	*2008*
786	1195	1241	1193	1107

Summary of employment levels in June of 2011 and 2012

	Ongoing Employees(iii)				Fixed term and casual employees		Total	Total
	Employees	Full-time	Part-time	FTE	Headcount	FTE	Headcount	FTE
	(headcount)							
June 2012	772	699	73	747	45	39	817	786
June 2011	1123	1022	101	1089	114	106	1237	1195

Note:

During 2011-12, a large number of people transferred to PTV on its establishment.

(i) All figures reflect employment levels during the last full pay period in June of each year. FTE numbers are rounded to the nearest whole number, which has caused minor differences in totals.

(ii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and temporary staff employed by employment agencies.

(iii) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

Details of employment levels in June of 2011 and 2012

	2012			2011		
	Ongoing		Fixed term and casual	Ongoing		Fixed term and casual
	Number (headcount)	FTE	FTE	Number (headcount)	FTE	FTE
Gender						
Male	392	389	18	572	566	48
Female	380	358	22	551	523	58
Total	**772**	**747**	**39**	**1123**	**1089**	**106**
Age						
Under 25	14	14	0	31	31	13
25-34	193	187	13	319	313	53
35-44	217	205	15	315	297	18
45-54	213	209	5	269	264	14
55-64	114	111	6	171	166	9
Over 64	21	20	0	18	17	0
Total	**772**	**747**	**39**	**1123**	**1089**	**106**
Classification						
VPS 1	0	0	0	3	3	1
VPS 2	42	41	3	49	47	21
VPS 3	164	159	6	217	212	22
VPS 4	144	139	9	219	211	22
VPS 5	176	168	8	258	248	21
VPS 6	176	170	10	276	267	16
STS	12	12	0	13	13	0
VPS Executives	38	38	0	50	50	0
Other [iv]	20	20	3	38	38	2
Total	**772**	**747**	**39**	**1123**	**1089**	**106**

Note:

(iv) Employees reported with a classification of 'other' are ministerial chauffeurs and principal scientists.

Regional Rail Link Authority People Profile

Comparative workforce data[(i)(ii)]

Full time equivalents (FTE) staffing trends from 2011 to 2012

2012	*2011*	*RRLA was established during 2010-2011*
98	84	

Summary of employment levels in June of 2011 and 2012

	Ongoing Employees[(iii)]				Fixed term and casual employees		Total	Total
	Employees	Full-time	Part-time	FTE	Headcount	FTE	Headcount	FTE
	(headcount)							
June 2012	5	5	0	5	95	93	100	98
June 2011	41	40	1	41	44	44	85	84

Note:

(i) All figures reflect employment levels during the last full pay period in June of each year. FTE numbers are rounded to the nearest whole number, which has caused minor differences in totals.

(ii) Excluded are those on leave without pay or absent on secondment, external contractors/consultants, and any temporary staff employed by employment agencies.

(iii) While some employees of RRL are ongoing employees of the Department of Transport and were previously reported as ongoing, the low report against ongoing employment recognises the fixed term nature of the organisation.

Details of employment levels in June of 2011 and 2012

	2012			2011		
	Ongoing		Fixed term and casual	Ongoing		Fixed term and casual
	Number (headcount)	FTE	FTE	Number (headcount)	FTE	FTE
Gender						
Male	4	4	54	28	28	21
Female	1	1	38	13	13	23
Total	**5**	**5**	**93**	**41**	**41**	**44**
Age						
Under 25	3	3	7	3	3	3
25-34	2	2	35	15	15	23
35-44	0	0	25	11	11	7
45-54	0	0	17	10	10	7
55-64	0	0	8	2	2	4
Over 64	0	0	0	0	0	0
Total	**5**	**5**	**93**	**41**	**41**	**44**
Classification						
VPS 1	0	0	0	0	0	0
VPS 2	0	0	1	1	1	1
VPS 3	5	5	18	10	10	9
VPS 4	0	0	12	5	5	9
VPS 5	0	0	19	6	6	11
VPS 6	0	0	17	8	8	5
STS	0	0	1	1	1	0
VPS Executives	0	0	6	5	5	0
Other[iv]	0	0	20	5	5	9
Total	**5**	**5**	**93**	**41**	**41**	**44**

Note:

(iv) Employees reported with a classification of 'other' are principal scientists.

DOT and Regional Rail Link Authority Executives

Number of Executive Officers classified into Ongoing and Special Projects

	All		Ongoing		Special projects		Vacancies		
Class	**No**	**Var.**	**No**	**Var.**	**No**	**Var.**	**No**	**Var.**	**Total**
SEC	1		1						**1**
EO-1	3	-1	2	-1	1				**3**
EO-2	16	-6	13	-7	3	+1	1	**-1**	**17**
EO-3	24	-4	22	-4	2		22	**12**	**46**
Total	**44**	**-11**	**38**	**-12**	**6**	**+1**	**23**	**+11**	**67**

Var. = Variation from previous year

Breakdown of executive officers into gender for ongoing and special projects

	Continuing executives						Special projects						
	Male		Female		Vacancy		Male		Female		Vacancy		
Class	**No**	**Var.***	**No**	**Var.***	**No**	**Var.***	**No**	**Var.***	**No**	**Var.***	**No**	**Var.***	**Total**
SEC	1												**1**
EO-1	1	-1	1				1						**3**
EO-2	11	-8	2	+1	1	-1	3	1					**17**
EO-3	11	-2	11	-2	21	+13	2				1	-1	**46**
Total	**24**	**-11**	**14**	**-1**	**22**	**+12**	**6**	**+1**	**0**	**+0**	**1**	**-1**	**67**

Var. = Variation from previous year

Reconciliation of executives

		2012	2011
Executives with total remuneration over $100,000		58	60
Add	Vacancies	23	12
	Executives employed with total remuneration below $100,000	4	19
	Accountable officer	1	1
	Inactive	0	0
	Additional EO positions	0	0
Less	Separations	-6	-8
	EO to VPS	-1	-2
	Temporary EOs (higher duties)*	N/A	-15
	Secondment out of DOT	0	0
	Machinery of Government changes	-12	0
Total executive numbers at 30 June 2012		**67**	**67**

* Higher duties no longer included in the reconciliation of executive numbers for 2011-12.

Public Transport Victoria People Profile

Comparative workforce data

PTV people profile as at 30 June 2012

	Ongoing				Fixed term and casual		Total	Total
	Number	Full-time	Part-time	FTE	Headcount	FTE	Headcount	FTE
	(headcount)							
June 2012	467	433	34	456	75	52	542	508

	June 2012		
	Ongoing		Fixed term and casual
	Number (headcount)	FTE*	FTE*
Gender			
Male	239	238	45
Female	210	200	25
Totals	**449**	**438**	**70**
Age			
Under 25	11	10	4
25-34	141	139	14
35-44	114	109	20
45-54	105	103	15
55-64	66	66	13
65 & Over	12	11	5
Totals	**449**	**438**	**70**
Classification			
VPS 1			
VPS 2	1	1	1
VPS 3	52	51	6
VPS 4	58	55	3
VPS 5	90	88	9
VPS 6	110	106	4
STS			
Executives	18	18	
Other**	138	136	30
Totals	**467**	**456**	**52**

* FTE numbers have been rounded to nearest whole number.

** Classification 'Other' includes staff on agreements/contracts other than the VPS Agreement.

DOT People

Learning & Development

DOT's Learning & Development Strategy articulates the actions that foster a learning culture to empower our leaders, managers and people to build and develop their capability and enable DOT to become Australia's best performing public sector agency. Key achievements include:

» delivery of DOT's two year leadership program in association with Monash Unversity and the University of Queensland

» development and delivery of DOT's Future Leaders program.

» delivery of DOT's Leadership Speaker series attended by over 800 people

» continuation of DOT's management development program to strengthen manager engagement and capability

» the Managing in DOT program was completed by 174 managers across three programs

» accreditation of Managing in DOT program modules toward the achievement of diploma level qualifications. To date 11 DOT people have utilised this accreditation

» DOT's learning and development calendar provided 105 programs

» Delivery of seven whole-of-DOT corporate information sessions attended by approximately 1488 people.

Grievance Reporting

Key achievements include:

» training of P&OD people in conflict coaching

» resolution of seven grievances.

» provision of an Employee Assistance Program (EAP) with increased utilisation of the "coaching" streams (Career Assist, Conflict Assist and Manager Assist).

DOT Occupational Health Safety and Wellbeing

DOT aims to do everything possible to prevent harm, achieve the highest standard of occupational health, safety and wellbeing and comply with all the relevant Occupational Health and Safety (OHS) legislative requirements.

DOT seeks to actively engage our people and our stakeholders in the area of OHS, and have done so with the following initiatives:

» delivery of 12 health and wellbeing events which were attended by 1587 people

» survey results showed 86.1 per cent of attendees rated the DOT Wellbeing program between good and highly satisfactory

» continued facilitation of the Victorian Rail Construction Safety Forum. DOT's Safety Director chairs this industry group

» the OHSW Consultative Committee which meets quarterly or as required

» legal assessment of OHS governance issues

» implementation of an early intervention program to provide support to DOT people with psychological health and/or mental health issues.

A measure of DOT's success can be seen within the 2012 SSA People Matters Survey.

» 72 per cent of people agreed that the health and safety of people is given a high priority in DOT.

The department's performance against OHS management measures

Measure	KPI	2009-10	2010-11	2011-12
Incidents	No. of incidents	30	63	57
	Rate per 100 FTE	2.42	4.93	6.44*
Claim	No. of standard claims	11	9	5
	Rate per 100 FTE	0.886	0.704	0.566*
	No. of lost time claims	4	0	1
	Rate per 100 FTE	0.886	0	0.113*
	No of claims exceeding 13 weeks	2	1	0
	Rate per 100 FTE	0.161	0.078	0
Fatalities		0	0	0
Claims Costs	Average cost per standardised claim	$60,471	$4,458	$16,792**
Return to work	Percentage of claims with RTW plan <30 days	100%	100%	100%
Management commitment	Evidence of policy statement, OHS Objectives, and OHS plans signed by CEO or equivalent	partially completed	partially completed	partially completed
Consultation and participation	Evidence of agreed structure of designated work groups (DWGs), health and safety representatives (HSRs) and issue resolution procedures (IRPs)	completed	completed	completed
Training	Percentage of HSRs trained: Acceptance of role	n/a	100%	100%

Note:

Claims data sourced from WorkSafe Victoria July 2012.

* Note FTE varied considerably over the year, which acts to inflate FTE based measures.

** Only two claims had calculated costs at time of reporting.

DOT Portfolio Executives 30 June 2012

Organisation name	Reported		Department		2011			2012			Change		
	2011	2012	2011	2012	F	M	A	F	M	A	F	M	A
Linking Melbourne Authority	Yes	Yes	DOT	DOT	2	6	8	3	6	9	1	0	1
Port of Melbourne Corporation	Yes	Yes	DOT	DOT	4	23	27	8	27	35	4	4	8
Public Transport Victoria*	No	Yes	n/a	DOT	0	0	0	5	13	18	5	13	18
Transport Ticketing Authority	Yes	Yes	DOT	DOT	3	3	6	0	4	4	-3	1	-2
V/Line Passenger Pty Ltd	Yes	Yes	DOT	DOT	6	20	26	7	22	29	1	2	3
VicRoads	Yes	Yes	DOT	DOT	16	57	73	15	51	66	-1	-6	-7
Victorian Rail Track Corporation	Yes	Yes	DOT	DOT	6	10	16	6	12	18	0	2	2
Victorian Regional Channels Authority	Yes	Yes	DOT	DOT	0	3	3	0	4	4	0	1	1
Totals					**37**	**122**	**159**	**44**	**139**	**183**	**7**	**17**	**24**

Note:

F – Female, M – Male, A – Active.

*New entity submitting for the first time in 2012.

Diversity Reporting

DOT is committed to building and maintaining a diverse workforce, which is reflective of the Victorian community and enables DOT to effectively represent the interests and needs of the entire community in decision making and planning for current and future transport solutions.

DOT's Diversity & Inclusion Strategy includes a range of diversity and inclusion programs and initiatives targeting:

Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI)

» Pride in Transport is a community group for lesbian, gay, bisexual, transgender and intersex people and supporters across the portfolio.

» Launched the Pride in Transport Strategic Plan and were the first Victorian Government group to join Pride in Diversity.

» Recently submitted for Australian Workplace Equality Index (an index that rates LGBTI friendliness of organisations across Australia), DOT scored above average overall and for the public sector.

People with a disability

» Continued implementation of DOT's Disability Action Plan.

Women

» Implementation of DOT's Women Leading Transport Strategy.

» 90 per cent of DOT people believe DOT provides equal employment opportunity as evidenced in the SSA's People Matter Survey 2012.

Aboriginal Communities

» Progressive implementation of DOT's Aboriginal Employment Strategy and Action Plan in line with whole of government initiatives.

» DOT, Department of Business & Innovation and Department of Justice hosted a NAIDOC week event for around 100 people including Aboriginal community members.

» Participation in the Victoriaworks Program with DOT supporting two Aboriginal trainees.

» Held three sessions of cultural awareness training (approx 40 attendees) and one reconciliation workshop (approx 40 attendees).

Culturally & Linguistically Diverse (CALD) Communities

» In addition to extensive translations, DOT continued to hold language specific information sessions.

» Continuation of the Career Pathways to Employment Program for asylum seekers that includes a 16 week placement in an Australian workplace.

» DOT continues to celebrate events including Cultural Diversity Week and Refugee Week.

Youth

» Management of the Victoriaworks Program supporting six DOT trainees.

» Management of DOT's Graduate Program with four DOT engineering graduates for 2011-12.

» Continuation of work experience placements.

DOT Audit Committee

The Audit Committee was established to assist the Secretary in governance and oversight responsibilities.

The Audit Committee provides independent, risk-based and objective assurance and recommendations to the Secretary.

It is supported in this task by a secretariat, led by the Director Audit and Assurance, who reports to the Secretary, and also through an outsourced internal audit provider.

The appointment of an Audit Committee and the maintenance of an internal audit function is a requirement of DOT's governance arrangements under the *Financial Management Act* 1994 and the Standing Directions of the Minister for Finance.

Consistent with the department's Audit Charter, the roles and responsibilities of the Audit Committee include:

» oversight of financial performance and reporting

» oversight of the internal auditor

» oversight of risk management processes

» oversight of the compliance and control environment.

Budget Portfolio Outcomes

The Budget Portfolio Outcomes provide comparisons between the actual financial statements of all general government sector entities within the Transport portfolio and the forecast financial information published in the Budget Papers No. 5 *Statement of Finances 2011-12* (BP5). The Budget Portfolio Outcomes comprise the comprehensive operating statements, balance sheets, cash flow statements, statement of changes in equity and administered item statements.

The Budget Portfolio Outcomes have been prepared on a consolidated basis and include all general government sector entities within the Transport portfolio. Financial transactions and balances are classified into either controlled or administered categories consistent with the published statements in BP5.

The following Budget Portfolio Outcomes statements are not subject to audit by the Victorian Auditor-General's Office and are not prepared on the same basis as the Department's financial statements as they include the consolidated financial information of the following entities:

» Department of Transport

» Public Transport Victoria

» Taxi Services Commission

» VicRoads

» Linking Melbourne Authority

Comprehensive operating statement for the financial year ended 30 June 2012

	2011-12 Actual ($ million)	2011-12 Published Budget ($ million)	Variation (%)	Notes
NET RESULT FROM CONTINUING OPERATIONS				
Income from transactions				
Output appropriations	5,175.0	5,240.1	(1)	
Special appropriations	1.6	2.0	(20)	
Interest	5.0	1.5	233	
Sales of goods and services	729.7	744.0	(2)	
Grants	292.8	282.5	4	
Fair value of assets and services received free of charge or for nominal consideration	56.5	–	–	1
Other income	155.4	165.7	(6)	
Total income from transactions	**6,416.0**	**6,435.8**	**–**	
EXPENSES FROM TRANSACTIONS				
Employee benefits	404.7	405.2	–	
Depreciation and amortisation	524.7	534.6	(2)	
Interest expense	32.6	32.4	1	
Grants and other transfers	2,061.6	1,982.7	4	
Capital asset charge	79.7	79.7	–	
Other operating expenses	2,913.1	2,929.3	(1)	
Payments into consolidated fund	–	–	–	
Total expenses from transactions	**6,016.4**	**5,963.9**	**1**	
Net result from transactions (net operating balance)	**399.6**	**471.8**	**(15)**	

Comprehensive operating statement for the financial year ended 30 June 2012 (continued)

	2011-12 Actual ($ million)	2011-12 Published Budget ($ million)	Variation (%)	Notes
OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT				
Net gain/(loss) on non-financial assets	14.9	–	–	
Net gain/(loss) on financial instruments and statutory receivables/payables	0.1	(0.4)	(123)	
Other gains/(losses) from other economic flows	(9.8)	–	–	
Total other economic flows included in net result	**5.2**	**(0.4)**	**(1,296)**	
Net result	**404.8**	**471.4**	**(14)**	
OTHER ECONOMIC FLOWS – OTHER NON-OWNER CHANGES IN EQUITY				
Changes in physical asset revaluation reserve	2,308.2	4,142.3	(44)	2
Other	(0.3)	–	–	
Total other economic flows – Other non owner changes in equity	**2,307.9**	**4,142.3**	**(44)**	
Comprehensive result	**2,712.7**	**4,613.7**	**(41)**	

Notes:

1. The 2011-12 actual figure represents assets received from local government.
2. The variation reflects lower than anticipated movements in price indices for land and other assets.

Balance sheet as at 30 June 2012

	2011-12 Actual ($ million)	2011-12 Published Budget ($ million)	Variation (%)	Notes
ASSETS				
Financial assets				
Cash and deposits	809.2	696.0	16	
Receivables	751.7	613.0	23	
Other financial assets	50.0	50.0	–	
Total financial assets	**1,610.9**	**1,359.1**	**19**	
Non-financial assets				
Inventories	16.6	24.8	(33)	
Property, plant and equipment	46,053.7	48,282.8	(5)	1
Intangible assets	32.7	34.6	(5)	
Other	19.4	9.0	115	
Total non-financial assets	**46,122.4**	**48,351.2**	**(5)**	
Total assets	**47,733.3**	**49,710.3**	**(4)**	
LIABILITIES				
Payables	965.5	823.8	17	
Borrowings	380.3	379.2	–	
Provisions	440.6	433.3	2	
Total liabilities	**1,786.4**	**1,636.3**	**9**	
Net assets	**45,946.9**	**48,074.0**	**(4)**	
EQUITY				
Accumulated surplus/(deficit)	16,447.0	16,513.9	–	
Reserves	13,689.9	15,524.1	(12)	1
Contributed capital	15,810.0	16,036.1	(1)	
Total equity	**45,946.9**	**48,074.0**	**(4)**	

Notes:

1. The variation reflects lower than anticipated movements in price indices for land and other assets.

Comprehensive operating statement for the financial year ended 30 June 2012

	2011-12 Actual ($ million)	2011-12 Published Budget ($ million)	Variation (%)	Notes
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Receipts from Government	5,176.7	5,242.8	(1)	
Receipts from other entities	1,070.7	1,077.6	(1)	
Goods and Services Tax recovered from the ATO	16.3	–	–	
Interest received	5.0	1.5	233	
Other receipts	129.8	113.5	14	
Total receipts	**6,398.5**	**6,435.4**	–	
Payments				
Payments of grants and other transfers	(2,054.7)	(1,982.7)	4	
Payments to suppliers and employees	(3,288.3)	(3,320.2)	(1)	
Goods and Services Tax paid to the ATO	10.3	–	–	
Capital asset charge	(79.7)	(79.7)	–	
Interest and other costs of finance	(32.6)	(32.4)	1	
Total payments	**(5,445.0)**	**(5,415.0)**	**1**	
Net cash flows from /(used in) operating activities	**953.5**	**1,020.4**	**(7)**	

Cash flow statement for the financial year ended 30 June 2012 (continued)

	2011-12 Actual ($ million)	2011-12 Published Budget ($ million)	Variation (%)	Notes
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investment	(138.6)	(6.5)	2,031	
Payments for non-financial assets	(1,035.2)	(1,204.7)	(14)	
Proceeds from sale of non-financial assets	34.9	15.0	133	
Net (purchase)/disposal of investments – policy purposes	0.5	–	–	
Net cash flows from /(used in) investing activities	**(1,138.4)**	**(1,196.2)**	**(5)**	
CASH FLOWS FROM FINANCING ACTIVITIES				
Owner contributions by State Government	306.0	188.5	62	
Repayment of finance leases	2.1	2.1	–	
Net borrowings	14.4	9.7	49	
Net cash flows from /(used in) financing activities	**322.5**	**200.2**	**61**	
Net increase (decrease) in cash and cash equivalents	**137.6**	**24.4**		
Cash and cash equivalents at the beginning of the financial year	671.6	671.6		
Cash and cash equivalents at the end of the financial year	**809.2**	**696.0**		

Statement of changes in equity as at 30 June 2012

	Accumulated Surplus / (Deficit) ($ million)	Contributions by Owner ($ million)	Other Reserves ($ million)	Asset Revaluation Reserve ($ million)	Total Equity ($ million)	Notes
ACTUAL RESULT						
Closing balance 30 June 2011 (Actual)	**16,042.5**	**15,847.6**	–	**11,381.7**	**43,271.8**	
Comprehensive result	404.8	–	–	2,308.2	2,713.0	
Transactions with owners in their capacity as owners	(0.3)	(37.6)	–	–	(37.9)	
Closing balance 30 June 2012 (Actual)	**16,447.0**	**15,810.0**	–	**13,689.9**	**45,946.9**	
BUDGET RESULT						
Closing balance 30 June 2011 (Actual)	**16,042.5**	**15,847.6**	–	**11,381.7**	**43,271.8**	
Comprehensive result	471.4	–	–	4,142.3	4,613.7	
Transactions with owners in their capacity as owners	–	188.5	–	–	188.5	
Closing balance 30 June 2012 (Budget)	**16,513.9**	**16,036.1**	–	**15,524.0**	**48,074.0**	

Administered items statement as at 30 June 2012

	2011-12 Actual ($ million)	2011-12 Published Budget ($ million)	Variation (%)	Notes
ADMINISTERED INCOME				
Sales of goods and services	1.9	0.9	121	
Grants	–	–	–	
Other income	1,767.5	1,729.2	2	
Total administered income	**1,769.4**	**1,730.1**	**2**	
ADMINISTERED EXPENSES				
Expenses on behalf of the State	31.7	31.7	–	
Grants and other transfers	–	–	–	
Payments into the Consolidated Fund	1,719.5	1,702.1	1	
Total administered expenses	**1,751.2**	**1,733.8**	**1**	
Income less expenses	**18.2**	**(3.7)**	**(587)**	
Other economic flows included in net result				
Net gain/(loss) on non-financial assets	(21.9)	–	–	
Total other economic flows included in net result	**(21.9)**	–	–	
Net result	**(3.7)**	**(3.7)**	**(1)**	
Other economic flows – other non-owner changes in equity				
Other	–	–	–	
Comprehensive result	**(3.7)**	**(3.7)**	**(1)**	
Administered assets				
Cash and deposits	11.1	8.5	31	
Receivables	22.7	24.1	(6)	
Total administered assets	**33.8**	**32.6**	4	
Payables	348.0	346.8	–	
Total administered liabilities	**348.0**	**346.8**	–	
Net assets	**(314.2)**	**(314.2)**	–	

Output Performance Measures

The following section provides details of the outputs provided by the Department to the Government, including performance measures and costs for each output, and the actual performance results against budgeted targets by output for the Department over the full year ending 30 June 2012.

The linkage between the Department of Transport's strategic priorities as outlined in the 2011 corporate plan, *DOT Plan 2011*, and the departmental outputs as outlined in the 2011–12 State Budget papers is as follows.

Improving transport services:

Integrated Metropolitan Public Transport Services; Rural and Regional Public Transport Services; Specialist Transport Services.

Increasing safety on the transport system:

Public Transport Safety and Regulation; Road Safety and Regulation; Vehicle and Driver Regulation; Marine Safety and Regulation; Transport and Marine Safety Investigations; Transport Security and Emergency Management.

Increasing transport system capacity, efficiency and resilience:

Integrated and Sustainable Transport Development; Public Transport Infrastructure Development; Road Network Improvements; Road Asset Management; Freight, Logistics, Ports and Marine Development.

Undertaking planning and address current transport deficiencies and provide for future transport demand:

Integrated and Sustainable Transport Development.

Output costs for 2011-12 have been prepared on Australian equivalents to International Financial Reporting Standards basis.

Notes are provided to explain elements of measurements and major variations in performance against 2011-12 targets.

Abbreviations used in tables

na	not applicable
–	zero or rounded to zero

Transport safety and security

These outputs will deliver initiatives and regulatory activities that will improve safety on Victoria's roads, public transport and waterways. These outputs also include activities aimed at maintaining the security of critical transport infrastructure and ensuring the preparedness to respond to emergencies involving this infrastructure.

These outputs will make the transport system safer by reducing the frequency, severity and cost of incidents and accidents. This supports the Department's priority of ensuring safety for all transport users, and makes a significant contribution to achieving the Government's goal of building friendly, confident and safe communities.

Public transport safety and regulation

This output provides programs and initiatives to achieve the highest standards of safety practicable for public transport services in Victoria. Activity in this output includes public transport infrastructure improvements, monitoring compliance with public transport operators' safety management systems and implementing corrective actions. A safe public transport network is an important part of encouraging greater use, in turn reducing road congestion and transport emissions.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Audits conducted to identify gaps between currently deemed accredited operators systems and the *Bus Safety Act 2009* requirements	per cent	20	26 [1]
Existing operators requiring registration under the Bus Safety Act registered within legislative timeframes	per cent	100	100
Public railway crossings upgraded	number	40	41
Rail safety audits/compliance inspections conducted in accordance with legislative requirements	number	60	80 [2]
QUALITY			
Bus safety improvement notices addressed within specified timeframes by accredited bus operators	per cent	100	100
Rail safety improvement notices addressed within agreed timeframes by accredited rail operators	per cent	100	100
TIMELINESS			
Applications for bus safety accreditation processed on time	per cent	100	100
Applications for rail accreditation processed on time	per cent	100	100
COST			
Total output cost	**$ million**	**29.1**	**29.2**

1. To assist industry transition to the requirements of the Bus Safety Act, and reach accreditation under the new act by December 2015, the Department committed to a structured five year audit program. As the program has progressed, bus operators have demonstrated increased awareness of overall responsibilities and have sought accreditation earlier than anticipated.
2. The 2011-12 actual result was higher than target due to an increase in compliance activities to address identified risks.

Road safety and regulation

This output provides a road safety program that incorporates the 'safe system' approach with initiatives to improve the safety of roads and roadsides, increase the safety of vehicles on Victoria's roads and promote safer behaviour from Victoria's road users. A well designed road network, safer vehicles and safer road users will reduce road incidents and accidents.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Road safety projects/initiatives completed:			
» safe roads	number	112	144 [3]
» safe road users	number	38	38
» safe vehicles	number	6	5 [4]
QUALITY			
Road safety projects completed within agreed scope and standards	per cent	100	100
TIMELINESS			
Road safety programmed works completed within agreed timeframes	per cent	100	100
COST			
Total output cost	**$ million**	**87.4**	**82.5** [5]

3. The 2011-12 result is higher than target due to additional projects approved during the year.
4. The 2011-12 result reflects project rescheduling. The unfinished project is now expected to be completed in 2012-13.
5. The 2011-12 result reflects the higher proportion of road safety projects being undertaken as capital works rather than operating activities.

Vehicle and driver regulation

This output provides vehicle registration and driver licensing that ensures vehicles meet minimum safety standards and drivers meet competency requirements. This output also administers, regulates and monitors taxis, hire cars, special purpose vehicles and tow trucks. A roadworthy vehicle fleet and safer road users will reduce road incidents and accidents.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Calls to the Victorian Taxi Directorate (VTD) call centre	number ('000)	160	107 [6]
Driver licences renewed	number (`000)	780	633 [7]
New driver licences issued	number (`000)	170	172
New vehicle registrations issued	number (`000)	540	527
Taxi and hire vehicle inspections	number	35 000	34 901
Taxi driver accreditation requests processed	number	4 950	3 913 [8]
Vehicle and driver information requests processed	number (`000)	4 150	4 052
Vehicle registration transfers	number (`000)	810	807
Vehicle registrations renewed	number (`000)	5 010	4 921
QUALITY			
Currency of registration and licensing records	per cent	99	99
Customer satisfaction index: taxi services	score	66.0	66.6
Taxi and hire vehicle complaints assessed	number	3 000	2 834 [9]
Taxi and hire vehicles conform to quality standards	per cent	85	82
User satisfaction with registration and licensing	per cent	>85	89
TIMELINESS			
Calls answered within 30 seconds in VicRoads call centres	per cent	80	36 [10]
Customers served within 10 minutes in VicRoads licensing and registration offices	per cent	80	71 [11]
Taxi and hire vehicle complaints investigated and closed within 45 days	per cent	>85	86
Taxi Industry Inquiry – preliminary report completed	Date	qtr 4	qtr 4
COST			
Total output cost	**$ million**	**177.9**	**172.5**

6. The lower number of calls is attributed to improved call centre first-point messaging reducing the need for repeat calls to the centre, and the Taxi Industry Inquiry receiving calls which would have previously been directed to the Victorian Taxi Directorate.
7. The 2011-12 result is lower than target, due to a number of reasons, including an ageing population and people moving interstate.
8. The 2011-12 result reflects a lower number of applications for taxi driver accreditation than originally anticipated.
9. The lower number of complaints than expected is attributed to more effective on-line information and an enhanced complaints handling procedure.
10. The 2011-12 result is lower than target, primarily due to increased demand. The opening of the new 100 seat Ballarat Contact Centre, in January 2012, has assisted VicRoads ability to improve on the management of call handling processes and timing. By June 2012 the percentage of calls answered within 30 seconds was 45 per cent.
11. The 2011-12 result is lower than target due to significant growth in demand and longer time taken to complete more complex transactions. Productivity gains have resulted in higher counter service levels, than the previous year, after allowing for growth.

Marine safety and regulation

This output provides a program to administer the policy and regulatory framework for the safe and efficient operation of commercial and recreational vessels in Victoria. Activity in this output includes registration and licensing that ensures vessels meet safety standards and operators meet competency requirements as well as monitoring compliance through rigorous audits and inspections. Safer vessels and safer operators will reduce marine incidents and accidents.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Commercial registered training organisations and training providers audited	per cent	100	66 [12]
Commercial vessels requesting annual survey are surveyed	per cent	100	99
Delivery of recreational boating safety education seminars	per cent	25	34 [13]
Operational safety audits performed on commercial vessels	number	15	14 [14]
QUALITY			
Designated waterways audited to determine compliance with vessel operating and zoning rules	per cent	15	15
COST			
Total output cost	**$ million**	**18.8**	**16.5 [15]**

12. The 2011-12 result is lower than anticipated as one of the three audits had to be deferred due to flooding in the Gippsland region, which resulted in the closure of the training organisation. The outstanding audit is expected to be completed by the end of 2012.
13. Increased public interest in recreational boating licences has resulted in an increased demand for seminars to be conducted for boating and community groups.
14. The 2011-12 result is lower than expected as the type of audits required to be undertaken were reliant on vessels being accessible and in operation. The outstanding audits are expected to be completed by the end of 2012.
15. The 2011-12 result primarily reflects changes to the timing of payments.

Transport and marine safety investigations

This output provides independent safety investigations of public transport and marine incidents and accidents to determine causal factors and identify systemic issues. Reviewing, monitoring and acting on these factors and issues will result in safer transport infrastructure and improved transport user behaviour which will reduce incidents and accidents.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Proportion of accidents/incidents involving identified multiple safety system failures investigated	per cent	100	100
Proportion of notified accidents with passenger fatalities and serious passenger injuries investigated	per cent	100	100
TIMELINESS			
Accidents/incidents assessed within two days of notification to determine need for detailed investigation	per cent	100	100
Completion of investigations measured against benchmark timeframes	index	1	0.77 [16]
COST			
Total output cost	**$ million**	**2.2**	**1.6** [17]

16. The 2011-12 result is due to a number of investigations requiring extensive research.
17. The 2011-12 investigation program required fewer resources than anticipated.

Transport security and emergency management

This output provides services and strategic advice to ensure that there is adequate management of security risks to transport services and sufficient capacity and preparedness to respond to emergency situations within the transport sector. These services will ensure continuity of transport services and make the transport system safer for all Victorians.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Contribution to multi agency exercise management and coordinate Department of Transport portfolio involvement	number	3	4 [18]
Coordination of Victorian marine pollution response exercises and incidents	number	2	2
Infrastructure security and emergency management exercises coordinated by Department of Transport consistent with the required standards	number	4	5 [19]
QUALITY			
Implementation plans developed for agreed recommendations in response to infrastructure security and/or emergency management reviews	per cent	100	100
Monitor all reported marine pollution incidents in accordance with Victorian State Marine Pollution Response Plan	per cent	100	100
Review of risk management plans of declared essential services for terrorism	per cent	100	100
Supervision of exercises to test declared essential services risk management plans for terrorism	per cent	100	100
TIMELINESS			
All reported marine pollution response action initiated within one hour of notification of an incident	per cent	100	100
Provide advice to the portfolio Ministers on policy issues within required timeframes	per cent	100	100
COST			
Total output cost	**$ million**	**4.2**	**4.9 [20]**

18. The 2011-12 result reflects a higher than anticipated number of external requests to participate in multi agency exercises.
19. The 2011-12 result reflects a higher than anticipated number of external requests to coordinate security and emergency management exercises.
20. The 2011-12 result reflects activities approved post the 2011-12 State Budget.

Public transport services

These outputs oversee the delivery of quality, sustainable and cost effective passenger train, tram and bus services to metropolitan Melbourne and regional Victoria, in partnership with operators and in accordance with contractual arrangements. These outputs also include the provision of specialist transport services that provide mobility for those unable to use other forms of public transport.

Dependable and accessible public transport services will reduce reliance on private motor vehicles and reduce social exclusion caused by lack of transport options. These outputs support the Department's priority of supporting the Victorian economy with an effective and resilient transport system, and make a significant contribution to achieving the Government's goal of growing and linking all of Victoria.

Integrated metropolitan public transport services

This output provides the delivery of quality, sustainable and cost effective passenger train, tram and bus services to metropolitan Melbourne through contractual arrangements with private operators. Dependable and accessible public transport services provide more travel options to Victorians so that they are less reliant on private motor vehicles, which contribute to reducing road congestion and transport emissions.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Passengers carried:			
» bus	number (million)	106.8	123.2 [21]
» train	number (million)	256.8	222.0 [22]
» tram	number (million)	189.2	191.6
Payments made for:			
» bus services	$ million	579	575
» train services	$ million	900	886
» tram services	$ million	376	367
Scheduled services delivered:			
» bus	per cent	99.9	99.9
» train	per cent	98.0	98.5
» tram	per cent	98.0	99.1
Total kilometres scheduled:			
» bus	km (million)	108.8	113.7
» train	km (million)	21.0	21.4
» tram	km (million)	23.6	23.6
W-Class trams fully restored	Number	1	0 [23]
QUALITY			
Customer satisfaction index:			
» bus services	score	77.0	75.3
» train services	score	67.0	66.8
» tram services	score	72.0	72.8
Rolling Stock Management Plan meets specifications in Franchise Agreements for:			
» train services	per cent	100	100
» tram services	per cent	100	100
TIMELINESS			
Service punctuality for:			
» bus services	per cent	95.0	94.2
» train services	per cent	88.0	89.9
» tram services	per cent	77.0	81.7 [24]
COST			
Total output cost	**$ million**	**3 061.7**	**2 943.3**

21. The 2011-12 result is higher than target as new services, such as SmartBus, are attracting more passengers than anticipated.
22. The 2011-12 result reflects the most recent trends and long term projections.
23. The 2011-12 result reflects additional preparatory work needed for the first W-Class tram restoration.
24. The 2011-12 result reflects improved tram timetabling.

Rural and regional public transport services

This output provides the delivery of quality, sustainable and cost effective passenger train, coach and bus services to rural and regional Victoria through contractual arrangements with V/Line and private operators. Dependable and accessible public transport services provide more travel options to Victorians so that they are less reliant on private motor vehicles, which contribute to reducing road congestion and transport emissions.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Passengers carried:			
» regional bus services	number (million)	13.6	14.3 [25]
» regional train and coach services	number (million)	15.4	15.6
Payments made for:			
» regional bus services	$ million	116	124 [26]
» regional train services	$ million	352	342
Scheduled services delivered:			
» regional bus	per cent	99.0	99.5
» regional train	per cent	99.0	97.8
Total kilometres scheduled:			
» regional bus	km (million)	20.9	21.9
» regional train and coach	km (million)	21.2	22.0
QUALITY			
Customer satisfaction index:			
» regional coach services	score	80.0	81.6
» regional train services	score	80.0	76.4
Rolling Stock Management Plan meets specifications in the Franchise Agreement for: V/Line trains	per cent	100	100
TIMELINESS			
Service punctuality for:			
» regional bus services	score	99.0	99.0
» regional train services	score	92.0	86.3 [27]
COST			
Total output cost	**$ million**	**814.5**	**808.4**

25. The 2011-12 result reflects improvements to regional bus routes.
26. The 2011-12 result is higher than target due to a change in the revenue arrangement for regional buses.
27. The 2011-12 result is lower than the target due to a combination of infrastructure and train faults, and congestion on the metropolitan train network.

Specialist transport services

This output provides programs to improve accessibility to public transport for people with a disability, programs to provide specialist transport services for those unable to use other forms of public transport and provides the delivery of school bus services through contractual arrangements with private operators. Specialist public transport services increase the mobility of Victorians that are transport disadvantaged and reduce dependency on private motor vehicles. This contributes to improving social inclusion.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Disability Discrimination Act (DDA) compliance for public transport infrastructure:			
» level access tram stops built	number	16	24 [28]
» metropolitan train station upgrades	number	8	8
» regional train station upgrades	number	5	5
Multi Purpose Taxi Program taxi trips:			
» passenger only trips	number (`000)	3 700	3 575
» total members	number (`000)	155	161
» with wheelchair trips	number (`000)	760	847 [29]
Scheduled school bus services delivered	per cent	99.0	100.0
Total kilometres scheduled: school bus	km (million)	33.5	31.5 [30]
TIMELINESS			
Multi Purpose Taxi Program applications assessed and completed within 10 working days	per cent	95.0	96.5
Service punctuality for school bus service	per cent	99.0	99.5
COST			
Total output cost	**$ million**	**255.1**	**256.1**

28. The 2011-12 result reflects the construction of six stops that were carried over from 2010-11 and a further two stops which were constructed during 2011-12.
29. The increased number of wheelchair trips is attributed to the additional wheelchair taxis in operation following the recent Greater Melbourne Taxi Licence Release, and the ageing profile and overall increase in program membership.
30. The 2011-12 result is lower than the target due to the more efficient design of bus routes.

Integrated transport planning, delivery and management

These outputs deliver strategic policy guidance to better integrate transport and land use planning. Integrated transport and land use planning identifies current and future access needs – for people to employment, goods to markets and services to businesses – and ensures that land-use and transport development are coordinated to best address these needs. These outputs deliver strategic transport infrastructure improvements to increase the capacity of the transport system and increase the efficiency of existing transport infrastructure to improve the movement of people, goods and services throughout Victoria. These outputs deliver projects to develop sustainable transport solutions, including promoting sustainable travel modes and increasing the use of public transport. An integrated and sustainable transport system will sustain economic growth and support social inclusion and improved quality of life, while conserving the environment for current and future generations.

These outputs support the Department's priorities to integrate transport and land-use planning, support the Victorian economy with an effective and resilient transport system, and improve the sustainability of Victorian transport. These department priorities make a significant contribution to achieving the Government's goals of growing and linking all of Victoria and the efficient use of natural resources.

Integrated and sustainable transport development

This output provides projects and programs that plan and develop improvements in the transport system. This output also provides for the integration of transport and land use planning to support the concentration of jobs and services closer to where people live, reducing the distance and time Victorians need to access them. This output also implements programs aimed at supporting more sustainable forms of transport. An integrated and sustainable transport system will help reduce reliance on private motor vehicles for transport needs, reduce road congestion and increase trips that are made on public transport, or by walking and cycling.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Cycling projects completed	number	20	18 [31]
Low Emission Vehicles program: Commercial fleets engaged	number	115	116
Planning and coordination of transport infrastructure projects in Central Activity Areas	number	7	7
Public transport planning and development			
» feasibility studies commenced	number	3	3
» planning commenced for new or upgraded railway stations and services	number	8	8
TIMELINESS			
Avalon airport rail link:			
» commence preliminary design including service planning	date	qtr 3	qtr 3
» identification of preferred option(s)	date	qtr 2	na [32]
Avalon Jet Fuel Pipeline: finalisation of funding grant agreement	date	qtr 3	qtr 4 [33]
Establishment of the Victorian Public Transport Development Authority	date	qtr 2	qtr 2
Low Emission Vehicles Program: Public Report delivered for first year of trial	date	qtr 1	na [34]
Policy advice including COAG National Reform Agenda provided to agreed timelines	per cent	100	100
Projects in Central Activity Areas progressed to agreed plans and timeframes	per cent	100	100
West Gate Punt: completion of procurement process including award of tender	date	qtr 4	qtr 2 [35]
COST			
Total output cost	**$ million**	**51.9**	**57.0 [36]**

31. The 2011-12 result is lower than the target due to some projects that were originally expected to be completed in 2011-12, now scheduled for completion in 2012-13.
32. Investigations are being undertaken to identify a preferred area for locating a rail corridor which will be used as a basis for consultation with the community.
33. The Avalon Jet Fuel Pipeline project is implemented through the Department of Business and Innovation. A Memorandum of Understanding between the Victorian Government and Avalon Airport Pty Ltd for delivery of the Jet Fuel Pipeline has been signed.
34. Delivery of the Electric Vehicle Trial public report was delayed due to validation and assessment taking longer than expected. The report is expected to be completed by late 2012.
35. The 2011-12 result reflects the earlier than expected execution of the service agreement with the preferred supplier.
36. The 2011-12 result reflects projects approved post the 2011-12 State Budget.

Public transport infrastructure development

This output provides capital initiatives that will increase the capacity and efficiency of the public transport network. Dependable and accessible public transport will provide more travel options to Victorians and reduce reliance on private motor vehicles. Victorians who shift their travel from private motor vehicles to public transport will contribute to reducing road congestion and transport emissions.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Growth Area Stations – completion of design and construction work	per cent	80	80
Metro train – procurement of new rolling stock	per cent	100	100
Projects continuing: country rail services: Mildura	number	1	1
Regional Rail Link	per cent	tbd	na [37]
Regional train – procurement of new VLocity train rolling stock	per cent	100	100
South Morang:			
» construction of Epping corridor	per cent	90	95 [38]
» construction of Hurstbridge corridor	per cent	50	40 [39]
Tram – procurement of new rolling stock	per cent	5	10 [40]
QUALITY			
myki customer satisfaction score (state-wide)	score	75	69.6 [41]
Projects progressed to agreed plans and timeframes	per cent	100	62 [42]
TIMELINESS			
Development of new integrated public transport ticketing solution:			
» complete implementation of metropolitan live operations	date	na	na [43]
» start regional rail and coach live operations	date	na	na [44]
Doncaster Area Rapid Transit (DART): construction works completed for all on-road bus priority treatments	date	qtr 4	na [45]

37. Following procurement the government is in the process of finalising the revised budget including the delivery risks.
38. The 2011-12 result reflects the project being ahead of its schedule of works.
39. The 2011-12 result reflects a delay in awarding contract due to changes in scope and construction schedule.
40. The 2011-12 result reflects the earlier than anticipated award of contract.
41. Research and customer survey indicates increasing customer satisfaction amongst existing myki users. Overall customer satisfaction fluctuates however during spikes in the number of customers using myki, as experienced with the significant take up of myki in the February to June period, with new users initially recording low satisfaction which reduces the overall satisfaction. This then increases again as the new users become familiar with myki use.
42. The 2011-12 result is lower than target due to eight projects out of 13 reported in the Output 'Public Transport Infrastructure Development' which met specified overall project targets.
43. In June 2011, the Government announced its plan to completely phase out Metcard, by the end of 2012, which will then complete the implementation of metropolitan live operations of the new transport ticketing system.
44. In June 2011, the Government announced its policy to remove V/Line intercity trains and long distance V/Line coach services from the initial scope until at least steady state operations are achieved in metropolitan Melbourne and major regional centres. This performance measure therefore is no longer applicable.
45. The 2011 – 12 result reflects that the works schedule has been revised due to technical considerations. Completion is now expected in quarter 3 2012-13.

	Unit of Measure	2011-12 Target	2011-12 Actual
Major periodic maintenance works completed against plan:			
» metropolitan train network	per cent	100	96
» tram network	per cent	100	93 [46]
» regional train network	per cent	100	96
Metrol replacement:			
» existing reporting Train Operation Performance System (TOPS) replaced	date	qtr 4	na [47]
» Train Control and Monitoring System (TCMS) commence operational testing	date	qtr 2	qtr 2
Metropolitan Train Communications System replacement:			
» 50 per cent of on train equipment installed	date	qtr 3	na [48]
» commence installation of equipment in train driver cabin	date	qtr 2	qtr 4 [49]
» network coverage testing complete	date	qtr 1	qtr 2 [50]
» provisional system acceptance	date	na	na [50]
Metro trains: new trains for Melbourne commuters: Stage 1 – procurement of seven new train sets – contract awarded	date	qtr 2	qtr 2
Regional Rail Link:			
» approval of first alliance proponent by Regional Rail Link Authority Board	date	qtr 3	qtr 2 [51]
» complete issuing Notices of Acquisition for affected properties in Greenfields corridor	date	qtr 4	qtr 4
SmartBus: Yellow Orbital Stage 2 – Ringwood to Melbourne Airport: completion of on road bus priority treatments	date	qtr 2	na [52]
South Morang: construction complete: Epping Corridor – operation of duplicated section Keon Park to Epping	date	qtr 2	qtr 2
Sunbury Electrification: construction completed	date	qtr 4	na [53]
Tram – procurement of new rolling stock: design complete	date	qtr 2	qtr 2
Vigilance Control and Event Recording System (VICERS):			
» commence installation on Siemens fleet	date	qtr 4	qtr 4
» completion of commissioning on X'Trapolis fleet	date	qtr 4	qtr 4

COST

Total output cost	**$ million**	**106.5**	**158.9 [54]**

46. The 2011-12 result reflects the revised works schedule to reduce the impact of project works on traffic. Completion is now expected in early 2012-13.
47. The 2011-12 result reflects the revised works schedule due to a change of software delivery method and staff recruitment difficulties. Completion is now expected in quarter 3 2012-13.
48. The 2011-12 result reflects a revised schedule based on software development and hardware changes, and because the installation of on-train equipment is now included in the overall rolling stock program. Completion is now expected in quarter 4 2012-13.
49. The 2011-12 result is based on a revised schedule due to required software development and hardware changes.
50. The 2011-12 result reflects delays due to site and technical issues.
51. The 2011-12 result reflects rescheduling of procurement activities.
52. The 2011-12 result is due to the revised schedule of works. Completion is now expected in quarter 3 2012-13.
53. The 2011-12 result reflects revised works for signalling design and the commissioning of five sub-stations. Completion is now expected in quarter 2 2012-13.
54. The 2011-12 result reflects the scheduling of the myki project.

Road network improvements

Enhance the performance of Victoria's road network to improve access and efficiency by developing road transport links, lowering transport operating costs and upgrading the quality of roads with respect to safety, and delivering cost effective projects to reduce congestion and improve reliability and travel times for all road users including public transport and freight vehicles.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Bridge strengthening and replacement projects completed:			
» metropolitan	number	3	9 [55]
» regional	number	23	18 [56]
Bus/tram route and other high occupancy vehicle improvements	number	11	12 [57]
Congestion projects completed	number	1	4 [55]
Local road projects completed: regional	number	3	11 [55]
Major road improvement projects completed:			
» metropolitan	number	1	0 [58]
» regional	number	1	2 [55]
Other road improvement projects completed:			
» metropolitan	number	6	5 [56]
» regional	number	6	5 [56]
Pedestrian projects completed	number	7	19 [55]
Transport access site treatments completed by VicRoads	number	43	44
QUALITY			
Road projects completed within agreed scope and standards:			
» metropolitan	per cent	98	98
» regional	per cent	98	98
Transport treatments completed within agreed scope or standards:	per cent	100	100
TIMELINESS			
Peninsula Link: major design and construction milestones reviewed and reported	per cent	100	100
Programmed transport access works completed within agreed timeframes	per cent	100	100
Programmed works completed within agreed timeframes:			
» metropolitan	per cent	95	95
» regional	per cent	95	95
COST			
Total output cost	**$ million**	**789.0**	**760.5**

55. The 2011-12 actual is higher than the target due to a number of projects completing ahead of schedule and certain projects carrying over from 2010-11.
56. The 2011-12 actual is lower than the target due to projects that were originally expected to be completed in 2011-12, now scheduled to be completed in 2012-13.
57. The 2011-12 actual is higher than the target due to one project completing that was not originally expected to be completed in 2011-12.
58. The 2011-12 actual is lower than the 2011-12 target as the single project noted has been affected by contractual issues.

Road asset management

This output provides programs to maintain the quality of Victoria's road network. This includes resurfacing damaged pavements, ensuring the integrity of bridges and maintaining roadsides. These activities improve the safety and reliability of the road network for all road users, including on road public transport and freight carriers.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Bridges maintained:			
» metropolitan	number	909	909
» regional	number	2 249	2 249
Pavement resurfaced:			
» metropolitan	m2 ('000)	1 500	1 662 [59]
» regional	m2 ('000)	10 700	11 038
Road network maintained:			
» metropolitan	lane-km	11 714	11 714
» regional	lane-km	41 549	41 549
QUALITY			
Bridges that are acceptable for legal load vehicles:			
» metropolitan	per cent	99.6	99.6
» regional	per cent	99.6	99.6
Proportion of distressed road pavements:			
» metropolitan	per cent	7.1	8.0 [60]
» regional	per cent	6.6	7.5 [60]
TIMELINESS			
Annual maintenance program completed within agreed timeframes:			
» metropolitan	per cent	100	100
» regional	per cent	100	100
COST			
Total output cost	**$ million**	**490.0**	**493.9**

59. The 2011-12 result is higher than the target due to increased priority to resurface additional pavement.
60. The 2011-12 actual is higher than the target due to the effects of widespread flooding and prioritisation towards routine maintenance.

Freight, Logistics, Ports and Marine Development

This output provides strategic freight infrastructure improvements, regulations and policy to improve the efficiency and safety of the freight and logistics sector, including road and rail based freight and Victoria's ports and marine environment. This output delivers activities to concentrate freight activities into freight activity centres, reduce barriers to moving freight on rail and reduce the environmental and social impacts caused by the movement of freight. Increasing the concentration, efficiency and accessibility of the freight network will reduce freight movements on local roads, increase the amount of freight carried by rail and maintain the competitiveness of Victoria's ports and industry.

	Unit of Measure	2011-12 Target	2011-12 Actual
QUANTITY			
Altona/Laverton Intermodal Terminal works	per cent	100	100
Number of accessible local ports	number	14	14
Road-based freight accessibility and reliability improvement projects completed	number	2	0 [61]
South West Passing Loop works completed	per cent	20	1 [62]
QUALITY			
Road based freight accessibility and reliability projects completed within specified scope and standards	per cent	100	100
TIMELINESS			
Road-based freight accessibility and reliability projects completed within agreed timeframes	per cent	100	100
COST			
Total output cost	**$ million**	**75.6**	**86.8 [63]**

61. The 2011-12 actual is lower than the target due to projects that were originally expected to be completed in 2011-12, now scheduled to be completed in 2012-13.
62. The 2011-12 result reflects a change in project scope and timing. It is anticipated that the project will still be completed in 2012-13.
63. The 2011-12 result primarily reflects projects approved post the 2011-12 State Budget.

Transport Outcome Performance

The following section provides results against the outcome performance indicators associated with the five priorities in the Department's corporate plan, the *DOT Plan 2011*. These indicators show the impact or outcome resulting from the implementation of initiatives and delivery of budget outputs, and indicate progress in achieving the priorities for the transport system defined in the *DOT Plan 2011*.

Priority 1: Improving transport services

Outcome indicator	Target	Current Result	Previous Result
		2011-12	2010-11
Public transport customer satisfaction	Metropolitan train ≥ 67	Metropolitan train: 66.8	Metropolitan train: 64.2
	Tram ≥ 72	Tram: 72.8	Tram: 71.6
	Metropolitan bus ≥ 77	Metropolitan bus: 75.3	Metropolitan bus: 74.2
	Regional train ≥ 80	Regional train: 76.4	Regional train: 77.0
	Regional coach ≥ 80	Regional coach: 81.6	Regional coach: 82.8
	Metropolitan taxi ≥ 66	Metropolitan taxi: 66.6	Metropolitan taxi: 65.0
		2011-12	2010-11
Road customer satisfaction	≥ 85%	72%	73%
		2011-12	2010-11
Public transport patronage growth	Increase	Metropolitan growth: 3.4%	Metropolitan growth: 4.1%
		Regional growth: 4.5%	Regional growth: 6.9%

Priority 2: Increasing safety on the transport system

Outcome indicator	Target	Current Result	Previous Result
Fatalities and serious injuries arising from road incidents	30% reduction from 2008-2017	2011 Fatalities: 287 Serious injuries: 5,175	2010 Fatalities: 288 Serious injuries: 5,102 [1]
Passenger fatalities and serious injuries on public transport	Reduce	2011-12 Fatalities: 1 Serious injuries: 90	2010-11 Fatalities: 1 Serious injuries: 61
Reported crime against the person on the public transport network	Rate of growth in reported crimes < growth in train patronage	2010-11 Reported crimes growth: 3.6% Metropolitan train patronage growth: 4.1%	2009-10 Reported crimes growth: 3.4% Metropolitan train patronage growth: 1.6%
Satisfaction with personal safety on public transport	Increase	2011-12 Metropolitan train: 64.7 Tram: 72.6 Metropolitan bus: 77.4 Regional train: 77.4 Regional coach: 84.3 Metropolitan taxi: 76.9	2010-11 Metropolitan train: 61.8 Tram: 70.5 Metropolitan bus: 75.3 Regional train: 76.6 Regional coach: 85.6 Metropolitan taxi: 74.8

1. The number of serious injuries arising from road incidents for 2010 reported in the 2010–11 Annual Report was 4,960. This result was revised following receipt and review of accident reports.

Priority 3: Increasing transport system capacity, efficiency and resilience

Outcome indicator	Target	Current Result	Previous Result
		2011-12	2010-11
Public transport services delivered on time [1]	Metropolitan train ≥ 88%	Metropolitan train: 89.9%	Metropolitan train: 85.9%
	Tram ≥ 77%	Tram: 81.7%	Tram: 81.4%
	Metropolitan bus ≥ 95%	Metropolitan bus: 94.2%	Metropolitan bus: 93.6%
	Regional train ≥ 92%	Regional train: 86.3%	Regional train: 84.4%
		2011-12	2010-11
Scheduled public transport services delivered [2]	Metropolitan train ≥ 98%	Metropolitan train: 98.5%	Metropolitan train: 98.7%
	Tram ≥ 98%	Tram: 99.1%	Tram: 99.2%
	Metropolitan bus ≥ 99.9%	Metropolitan bus: 99.9%	Metropolitan bus: 99.9%
	Regional train ≥ 99%	Regional train: 97.8%	Regional train: 98.9%
		May 2012	May 2011
Metropolitan train load breaches [3] [4]	Reduce	3	7
Road travel delay	Rate of growth in traffic delay < growth in vehicle kilometres travelled	Per cent trend change between 2002-03 and 2011-12 [5]:	Per cent trend change between 2001-02 and 2010-11 [5]:
		Travel delay growth: 16.7%	Travel delay growth: 15.5%
		Vehicle kilometres travelled growth: 14.4%	Vehicle kilometres travelled growth: 13.2%
		2011-12	2010-11
Proportion of distressed freeway and arterial road surfaces [6]	Metropolitan ≤ 7.1%	Metropolitan: 8.0% [7]	Metropolitan: 6.5%
	Regional ≤ 6.6%	Regional: 7.5% [7]	Regional: 7.0%
		Quarter ending June 2012	Quarter ending June 2011
Service km between train infrastructure faults [8]	Metropolitan ≥ 6,700 km	Metropolitan: 23,485 km	Metropolitan: 23,608 km
	Regional ≥ 13,000 km	Regional: 16,031 km	Regional: 17,838 km

Priority 3: Increasing transport system capacity, efficiency and resilience continued

Outcome indicator	Target	Current Result	Previous Result
Freight vehicle fleet efficiency [9]	Increase	2008-09 [10] 4.19 tonnes	2007-08 4.16 tonnes
Rail freight services (metro, intrastate, interstate)	Increase	[11]	[11]

1. This outcome indicator was reworded from 'Public transport punctuality' to clarify the purpose of the indicator.
2. This outcome indicator was reworded from 'Public transport service cancellations' to clarify the purpose of the indicator. Results were previously reported as the percentage of total scheduled services cancelled.
3. This outcome indicator replaces the indicator 'Rail capacity and utilisation (morning peak)'. This outcome indicator more accurately reflects crowding on the metropolitan train network in the morning peak.
4. A load breach is defined as a rolling hour (for example 07:30 to 08:30) average load that exceeds a desired standard of 798 passengers for a six carriage train arriving at cordon stations before the CBD (Richmond, North Melbourne and Jolimont). All results refer to AM peak.
5. Change in travel delay is now measured as a trend change over the previous 10 years. In prior reports, change in travel delay was measured relative to the previous year.
6. This outcome indicator replaces the indicator 'Smooth travel on urban and regional roads (IRI – International Roughness Index)'. This outcome indicator more accurately reflects actual condition of road pavement and the state of the network.
7. 2011-12 results are higher than the target due to the effects of widespread flooding and prioritisation towards routine maintenance.
8. The methodology for calculating this indicator changed during 2011-12. The previous methodology included infrastructure faults on the metropolitan network and counted a single fault multiple times. The revised methodology has removed this anomaly and the results have been backdated to June 2011.
9. This outcome indicator has been reworded from 'Efficiency of the freight vehicle fleet' to clarify the purpose of the indicator.
10. 2008-09 is the latest data available, sourced from the Victorian Transport Facts 2011 released in June 2011.
11. Data for this indicator is not available. The definition and data collection methodology for this indicator is currently under review.

Priority 4: Improving corporate governance and capability to better deliver transport outcomes

Outcome indicator	Target	Current Result	Previous Result
		2011-12	2010-11
Transport infrastructure projects delivered on time and budget	On time ≥ 80% On budget ≥ 80%	On time: 50% [1] On budget: 79%	On time: 59% On budget: 82%
		2012	2011
DOT people rating the Department a great place to work	≥ 80%	37%	60%
		2011-12	2010-11
Standardised claims per 100 FTE	Reduce	0.113	0

1. Project completion in 2011-12 has been impacted by unfavourable weather conditions, signalling delays resulting from emerging strains in occupation support and inability to access tracks, and late awarding of the delivery contract.

Priority 5: Undertake planning to address current transport deficiencies and provide for future transport demand

Outcome indicator	Target	Current Result	Previous Result
		2009-10 [2][3]	2007-08 [3]
Proportion of metropolitan Melbourne trips by mode [1]	Increase share of public transport, cycling and walking	Public transport, walking and cycling: 22.8% Private transport (vehicle driver or passenger, other): 77.2%	Public transport, walking and cycling: 23.9% Private transport (vehicle driver or passenger, other): 76.1%

1. This outcome indicator has been reworded from 'Weekday private trips by mode' to clarify the purpose of the indicator.
2. 2009-10 is the latest data available. Data collection for the ongoing VISTA survey commenced in July 2012. Preliminary results will be available in late 2013.
3. The 2009-10 results reported in the 2010-11 Annual Report has changed slightly due to updated processing techniques.

Discontinued measures

DOT revises its corporate plan every year to reflect the priorities of Government and its funding decisions in the State Budget Papers. Outcome performance indicators in the corporate plan are also revised to ensure that they are relevant to the priorities in the corporate plan and are well defined and supported with robust data.

Some outcome performance indicators listed in the *DOT Plan: 2010 Update* and reported in the 2010-11 Annual Report have been removed from the *DOT Plan 2011* and are not reported in the 2011-12 Annual Report.

Public Transport Victoria Performance Report

23 August 2012

Hon Terry Mulder MP
Minister for Public Transport
Level 16
121 Exhibition Street
Melbourne VIC 3000

Dear Minister

PUBLIC TRANSPORT SYSTEM PERFORMANCE REPORT

On behalf of Public Transport Victoria I am pleased to submit PTV's first report under section 79W of the *Transport Integration Act 2010* on the performance of Victoria's public transport system.

This report provides information on the performance of trains, trams and buses across Victoria for the period 1 July 2011 to 30 June 2012, through measurements in the key areas of customer satisfaction, service punctuality, service reliability and scheduled kilometres. It shows many areas where performance is strong in comparison to previous years, however there is undoubtedly room for further improvement.

PTV is committed to improving the quality of public transport services by adopting a 'back to basics' approach to areas affecting service delivery: better maintenance and renewal of assets to reduce system failures and improve reliability; coordinated timetabling to improve connections and reduce delays for passengers; infrastructure upgrades to ensure the system can cope with demand; strategic, evidence-based planning to ensure the network is well placed to meet long-term growth, and improved customer information systems to keep pace with technological trends.

This report will provide an important benchmark for future reports from which trends can be assessed and reported upon.

The next performance report will be issued following the conclusion of the 2012 calendar year.

Ian Dobbs

Chair and Chief Executive

Metropolitan Public Transport Performance

Metropolitan Train

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2012

Measure	Unit	Target	Actual
Customer satisfaction index	score (/100)	67.0	66.8
Service punctuality	per cent	88.0	89.9
Scheduled services delivered (reliability)	per cent	98.0	98.5
Total kilometres scheduled	km (million)	21.0	21.4

Note: Targets are set annually, are agreed with DTF and are published in Budget Paper No. 3 each year.

Customer satisfaction

Overall customer satisfaction with metropolitan trains in 2011-12 was 66.8. This represents an improvement on both the 2010-11 (64.2) and 2009-10 (62.6) results. It has been more than four years since overall satisfaction was as high as in 2011-12.

The strongest driver of overall satisfaction for metropolitan trains is service delivery, which incorporates a number of operational elements including trains running on time, number of trains cancelled and travel time. Satisfaction with service delivery was 67.0 in 2011-12, which is a small but important improvement on the result from 2010-11 (65.3).

Patronage

Metropolitan train services carried 222.0 million passengers for the 12 months to 30 June 2012. After a period of sustained patronage growth, train use fell in 2011-12. Overall patronage growth on metropolitan train services declined 3.3 per cent for the 12 months ending June 2012. Market conditions were not generally conducive to train patronage growth in 2011-12, however the most recent survey indicates growth in the AM peak, which is attributed to improved service performance. Medium and long-term patronage forecasts indicate a return to continued patronage growth.

Punctuality, reliability and total kilometres scheduled

Metro exceeded the contractual target for punctuality for the year to 30 June 2012. For 10 out of 12 months Metro exceeded its published target and customer compensation threshold of 88.0 per cent. Metro met its target for timetable services delivered for the 12 month period.

There has been an increase in metropolitan train kilometres predominantly due to an additional 353 standard weekly services introduced on 22 April 2012.

New trains into revenue service

Forty-five new trains are being introduced onto the metropolitan network. Fifteen of these new trains entered revenue service during the 12 months to 30 June 2012, bringing the total of the new trains in operation to 38.

Tram

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2012

Measure	Unit	Target	Actual
Customer satisfaction index	score (/100)	72.0	72.8
Service punctuality	per cent	77.0	81.7
Scheduled services delivered (reliability)	per cent	98.0	99.1
Total kilometres scheduled	km (million)	23.6	23.6

Note: Targets are set annually, are agreed with DTF and are published in Budget Paper No. 3 each year.

Customer satisfaction

Overall customer satisfaction with trams in 2011-12 was 72.8. This represents a small but important improvement on the 2010-11 (71.6) and 2009-10 (71.0) results. The last time satisfaction was at this level was 2006-07.

Satisfaction with personal security showed the largest improvement.

Patronage

Tram services carried 191.6 million passengers for the 12 months to 30 June 2012. Patronage growth on tram services has been strong, growing 4.5 per cent in the year ending 30 June 2012. Tram patronage growth has been supported by inner city population growth.

Punctuality, reliability and total kilometres scheduled

Tram service performance remained consistently above target for the past 12 months.

There has been an increase in tram kilometres due to an additional 50 standard weekly services introduced on 22 April 2012.

Metropolitan Bus

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2012

Measure	Unit	Target	Actual
Customer satisfaction index	score (/100)	77	75.3
Service punctuality	per cent	95.0	94.2*
Scheduled services delivered (reliability)	per cent	99.9	>99.9*
Total kilometres scheduled	km (million)	108.8	113.7

Note: Targets are set annually, are agreed with DTF and are published in Budget Paper No. 3 each year.
*Bus punctuality and reliability results are operator self-assessed and based on small sampling rates.

Customer satisfaction

Overall customer satisfaction with metropolitan buses in 2011-12 was 75.3. This represents a small improvement on the 2010-11 (74.2) and 2009-10 (74.3) results. The last time satisfaction was at this level was 2003-04.

The improvements in satisfaction were led by the increasing number of customers who had recently experienced a SmartBus service. The overall satisfaction rating with those services was 80.8.

Patronage

Metropolitan bus services carried 123.2 million passengers for the 12 months to 30 June 2012. Patronage growth on metropolitan bus routes has been extremely strong, with 15.8 per cent growth in the year ending 30 June 2012. This has been largely the result of Government investments in SmartBus, Doncaster Area Rapid Transit and other enhanced local bus services.

Punctuality, Reliability and Total Kilometres scheduled

Metropolitan bus punctuality for the 12 months to 30 June 2012 has been tracking consistently with around 94 per cent of services arriving on time. Reliability remains consistently above 99.9 per cent.

PTV has been working with Bus Association Victoria representatives regarding the implementation of a Qualitative Performance Regime (QPR) for the Melbourne metropolitan bus network. The bus QPR will measure each bus operator on particular aspects relating to bus driver performance and bus ambience (rolling stock condition). A benchmarking process for all metropolitan bus operators is currently being conducted.

There has been an increase in metropolitan bus kilometres predominantly due to the full implementation of new Green and Yellow SmartBus services.

Regional Public Transport Performance

Regional (V/Line) Train and Coach

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2012

Measure	Unit	Target	Actual
Customer satisfaction index: regional train	score (/100)	80.0	76.4
Customer satisfaction index: regional coach	score (/100)	80.0	81.6
Service punctuality: regional train	per cent	92.0	86.3
Scheduled services delivered: regional train (reliability)	per cent	99.0	97.8
Total kilometres scheduled: regional train & coach	km (million)	21.2	22.0

Note: Targets are set annually, are agreed with DTF and are published in Budget Paper No. 3 each year.
Note: Regional coach refers to long-haul coach services, not town bus services. Refer below for town bus services.

Customer satisfaction

Satisfaction with V/Line trains (76.4) was slightly lower in 2011-12 than the result for 2010-11 (77.0).

Satisfaction with V/Line coach services (81.6) was lower in 2011-12 when compared with the result from 2010-11 (82.8).

There has been a slight decline in satisfaction with V/Line overall in the past two years.

Patronage

Regional train and coach services carried 15.5 million passengers for the 12 months to 30 June 2012.

Patronage on regional train was 3.5 per cent higher for the year ending 30 June 2012 than for the previous year.

Patronage on regional coach was 36.6 per cent higher for the year ending 30 June 2012 than for the previous year. Regional coach patronage has experienced significant growth with most of this growth attributed to new operators and more reliable patronage measurement.

Punctuality, Reliability and Total Kilometres scheduled

During this period, punctuality was on average 86.3 per cent. V/Line's contractual threshold for punctuality was not met in the 12-month period. Punctuality was lowest in May, with only 83.5 per cent of services arriving on time. August was the best performing month, with 89.8 per cent of services arriving on time. Regional train punctuality is affected by a range of factors including congestion on the metropolitan network, and regional train punctuality often rises and falls as metropolitan punctuality rises and falls. Infrastructure capacity issues on the regional and metropolitan network will continue to impact V/Line punctuality performance, with the Regional Rail Link Project anticipated to introduce marked benefits.

For the 12 months to 30 June 2012, regional train reliability was 97.8 per cent. This is above the V/Line contractual threshold (96 per cent). Cancellation levels were highest in January 2012, with 2.9 per cent of services cancelled. Regional train reliability has fallen, with a 12 month average of 98.9 per cent in June 2011, compared to a 12 month average of 97.8 per cent in June 2012.

There has been an increase in regional train kilometres predominantly due to additional standard weekly services introduced on 22 April 2012.

Regional Bus

PERFORMANCE SUMMARY – 12 MONTHS TO 30 JUNE 2012

Measure	Unit	Target	Actual
Customer satisfaction index	score (/100)	N/A	80.5
Service punctuality	per cent	99.0	99.0*
Scheduled services delivered (reliability)	per cent	99.0	99.5*
Total kilometres scheduled	km (million)	20.9	21.9

Note: Targets are set annually, are agreed with DTF and are published in Budget Paper No. 3 each year.
*Bus punctuality and reliability results are operator self-assessed and based on small sampling rates.

Customer satisfaction

Of the centres where data was available, customer satisfaction with town bus services in Ballarat, Geelong, Bendigo, LaTrobe Valley, and Shepparton / Wangaratta / Wodonga had an average score of 80.5 at the end of 2011.

At the beginning of 2012, regular surveying of regional town bus customers in defined locations commenced to allow for reporting on a rolling annual basis at any point in time.

Patronage

Regional bus carried 14.3 million passengers for the 12 months to 30 June 2012. Patronage on regional bus grew by 2.7 per cent in the year ending 30 June 2012.

Punctuality, Reliability and Total Kilometres scheduled

In 2011-12 the percentage of regional bus services delivered and punctuality are estimated to be 99.5 per cent and 99.0 per cent respectively. Bus punctuality and reliability results are operator self-assessed and based on small sampling rates

There has been an increase in regional bus kilometres predominantly due to the full implementation of additional Latrobe Valley bus services

Better Roads Victoria Trust Account

The Victorian Government's Better Roads Victoria Trust was established in 1993 under the *Business Franchise (Protection Products) Act 1979*. The Act specifies that a State franchise levy on petrol and diesel fuel sales would be paid into the Better Roads Victoria Trust. Following the abolition of this levy in August 1997, the Victorian Government has continued to make equivalent payments to the Trust, together with $17 per motor vehicle registration applicable from 1 July 2003 and subsequent indexation. In addition, from 1 July 2005, all receipts collected from traffic cameras and on-the-spot speeding fines are channelled into the Better Roads Victoria Trust. Funds from the Better Roads Victoria Trust are used for the construction and maintenance of roads in accordance with the Road Management Act, road safety initiatives and traffic integration projects.

	2011-12 Actual $ million
Opening cash balance	**344.3**
SOURCE OF FUNDS	
BRV revenue	392.0
Traffic camera and on-the-spot fines revenue	309.9
Total funding available	**701.9**
APPLICATION OF FUNDS	
Road projects	260.1
Programs funded from traffic camera and on-the-spot fines revenue	
Road asset management	230.9
Road network improvements	37.2
Road safety and regulation	29.5
Freight and logistics	12.3
Total payments from trust	**570.0**
Closing cash balance [1]	**476.2**

1. The closing balance is fully committed to approved projects.

Environmental Performance Report

This environmental performance report has been prepared in accordance with the requirements set out in the 'Financial Reporting Direction 24 (FRD 24C): Reporting of Office-based Environmental Impacts by Government Departments'. It relates to the Department's office-based activities only. It should be noted that comparatives are only provided where similar data was available for the previous year. The report also incorporates data from the PTV from 1 April 2012 to 30 June 2012.

Energy

DOT and PTV consume energy for its office facilities located at 121 Exhibition Street, Melbourne and 80 Collins Street, Melbourne. The data below was obtained from energy retailer billing information and represents 100 per cent of sites and 100 per cent of staff, including contractors and others.

Indicator	2011-12		2010-11	
	Electricity	Green Power	Electricity	Green Power
Total energy usage segmented by primary source (MJ)	5,776,284	1,925,428	5,746,042	1,915,347
Greenhouse gas emissions associated with energy use, segmented by primary source (t CO_2-e) [1]	2,182		2,170	
Percentage of electricity purchased as Green Power (%)	25		25	
Units of energy used per FTE (MJ per FTE)	4,439	1,479	4,493	1,498
Units of energy used per unit of office area (MJ per m^2) [2]	162	54	159	53

Trend reporting:

Energy	Unit of measure	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Use per square metre of office space	megajoule	**216**	212	223	284	263	340

Explanatory Notes

1. Greenhouse gas emissions are based on the updated Department of Climate Change and Energy Efficiency (DCCEE) National Greenhouse Accounts Factors July 2011.
2. Area at 121 Exhibition Street was 23,643 m^2, at 80 Collins Street it was 12,408 m^2.

Actions undertaken:

» ensuring any new office fit-outs are energy efficient

» continuing to encourage people to turn off their PCs after hours by running awareness campaigns and distributing staff bulletins

» continuing to investigate other energy saving options.

Target:

» reduce DOT's energy consumption in 2011-12 (target achieved, with a reduction of 73 megajoules per FTE).

Waste

The waste generated by processes in DOT and PTV is divided into three general classes – recycling, compost and landfill. The waste management program facilitates the easy segregation of waste materials for recycling, composting or landfill in DOT and PTV offices.

The data below is derived from an independent five day waste audit (28 May 2012 – 1 June 2012) conducted at two sites – 121 Exhibition Street and 80 Collins Street – accommodating 100 per cent of DOT and PTV staff, including contractors and others [1].

Indicator	**2011-12**		
	Landfill	**Commingled recycling**	**Compost**
Total units of waste disposed of by destination (kg per year)	17,380	97,515	15,110
Units of waste disposed of per FTE by destination (kg per FTE per year) [2]	10.43	58.56	9.07
Recycling rate (% of total waste)	82		
Greenhouse gas emissions associated with waste disposal (t CO_2-e)	22.80		

Trend reporting:

Waste	**Unit of measure**	**2011-12**	**2010-11**	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Total recycled	kilograms	**112,625**	94,795	91,524	68,602	70,544	94,241

Explanatory Notes

1. This is the third time a complete five day audit of all DOT and PTV staff and sites has been conducted.
2. Calculations for FTE figures have been averaged across the two sites; FTE has been defined by the independent waste audit report.

Actions undertaken:

» waste awareness bulletins distributed to all staff

» independent waste audit, including a contamination audit, undertaken to identify further opportunities to reduce waste to landfill and promote recycling

» mobile phone recycling program with Mobilemuster in place

» cork, battery and aluminium foil recycling program with Green Collect in place

» secure CD recycling program with Recall in place.

Targets:

» generate less landfill waste (target not achieved, with an increase of 0.62 kilograms per staff member)

» increase the units of waste recycled (target achieved, with an increase of 15.34 kilograms per staff member)

» increase the units of compost (target achieved with a decrease by 0.84 kilograms per staff member).

Paper

The data below is collected through paper retailer billing information and represents 100 per cent of sites and 100 per cent of DOT and PTV staff, including contractors and others.

Indicator	2011-12	2010-11
Total units of copy paper used (reams) [1]	20,879	23,669
Units of copy paper used per FTE (reams per FTE)	16.0	18.5
Percentage 76-100% recycled content A4 copy paper purchased (%)	59	54
Percentage 51-75% recycled content A4 copy paper purchased (%)	0	0
Percentage 50% recycled content A4 copy paper purchased (%)	32	33
Percentage 0-49% recycled content A4 copy paper purchased (%)	0	0
Percentage A3 paper and coloured paper purchased (%)	9	13

Trend reporting:

Paper	Unit of measure	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07
Use per FTE	reams	**16.0**	18.5	17.9	16.7	19.9	19.9
Total use	reams	**20,879**	23,669	22,223	22,028	21,493	20,544

Explanatory Notes

1. As a result of targeting paper consumption in 2011-12, paper consumption reduced by 2,790 reams in total.

Actions undertaken:

» staff awareness campaigns relating to purchasing of higher recycled content paper undertaken

» monthly bulletin board messages tracking paper usage distributed to all staff

» all paper chosen by Corporate Public Affairs for publications has environmental consideration (ISO 14001 or FSC certified)

» printer default settings to print double-sided where printers have the capability.

Target:

» reduce paper consumption per FTE (target achieved, paper consumption decreased by 2.5 reams per FTE).

Water

The data below is based on water meter readings at DOT's sites, covering 100 per cent of DOT and PTV staff, including contractors and others.

121 Exhibition Street / 80 Collins Street		
Indicator	**2011-12**	**2010-11**
Potable water use – Tenancy Only [1] – (KL per FTE)	3.90	4.38
Potable water use – Tenancy Only – (KL per year)	5,075	5,604
Potable water use – Tenancy Only – (KL per m^2)	0.14	0.15

Explanatory Notes

1. The "Potable water use – Tenancy Only" at 121 Exhibition Street is based on metered water used in the showers, kitchens and tea points. At 80 Collins Street, metered water is measured using the showers, kitchens and toilets. The figures for both sites are combined and averaged.

Actions undertaken:

- water awareness bulletins distributed to all staff
- the blackwater treatment plant at 121 Exhibition Street recycled 19,944 kilolitres for the year ending 30 June 2012.

Target:

- promote the conservation of water through awareness campaigns
- reduce water consumption by FTE from the 2010-11 consumption level (target achieved).

Transport

DOT and PTV's car fleet comprises 70 vehicles, excluding executive vehicles. Of these vehicles, 28 per cent are four cylinder petrol-fuelled and 27 per cent are hybrid vehicles. DOT and PTV staff obtained pool vehicles from the State Government Vehicle Pool. Data for pool usage is incorporated in the table below.

Indicator	**2011-12**			
Vehicle data:	**Unleaded**	**Diesel**	**LPG**	**E10** [1]
Total energy consumption by vehicles (MJ)	4,391,006	472,773	1,085,073	Nil
Total vehicle travel associated with operations (km)	1,543,085	94,006	302,518	Nil
Total greenhouse gas emissions from vehicle fleet (t CO_2-e)	294	33	65	Nil
Greenhouse gas emissions from vehicle fleet per 1,000km travelled (t CO_2-e)	0.20	0.38	0.23	Nil

Indicator	
Air travel data:	
Total distance travelled by aeroplane (domestic and international) (km)	1,122,015 [2]
Travel to Work Survey:	
Percentage of employees regularly (>75% of work attendance days) using public transport, cycling, walking to and from work or working from home (%)	83

Trend reporting:

Transport	**Unit of measure**	**2011-12**	**2010-11**	**2009-10**	**2008-09**	**2007-08**	**2006-07**
Total fuel consumption	MJ	**5,948,852**	6,851,009	8,018,926	8,844,968	9,135,105	10,261,000
Total associated greenhouse gas emissions	t CO_2-e [3]	**392**	482	578	631	652	741

Explanatory Notes

1. No E10 Fuel was purchased in 2011-12.
2. Figure obtained from reports supplied by Flight Centre Management. Total distance travelled in 2011-12 decreased by 711,818 km.
3. Greenhouse gas emissions reduced by 47 per cent from 2006-07 to 2011-12.

Actions undertaken:

» promotion of public transport in lieu of departmental fleet vehicles for work travel.

Target:

» further reduce vehicle greenhouse gas emissions (target achieved with a 18 per cent reduction in greenhouse gas emissions).

Greenhouse gas emissions

The greenhouse gas emissions [1] detailed below have been brought together from the previous sections to show DOT's total greenhouse footprint.

Indicator	2011-12	2010-11
Greenhouse gas emissions associated with energy use (t CO_2-e)	2,182	2,170
Greenhouse gas emissions associated with vehicle fleet (t CO_2-e)	392	482
Greenhouse gas emissions associated with air travel (t CO_2-e)	319	482
Greenhouse gas emissions associated with waste production (t CO_2-e)	22.80	21.70
Greenhouse gas emissions offsets purchased (t CO_2-e)	0	0

Explanatory Notes

1. Greenhouse gas emissions are based on the updated Department of Climate Change and Energy Efficiency (DCCEE) National Greenhouse Accounts Factors July 2011.

Actions undertaken:

» refer to Energy, Transport and Waste sections.

Target:

» refer to Energy, Transport and Waste sections.

Procurement

Actions undertaken:

» embedded environmental sustainability into DOT contracts and procurement processes

» publicise the green section of the stationery catalogue for stationery purchases.

Target:

» purchase 100 per cent of A4 copy paper with at least 50 per cent recycled-content (target was achieved in 2011-12)

» consider environmental factors when purchasing furniture.

Legislation (administered as at 30 June 2012)

As at 30 June 2012, the following legislation was administered by the Minister for Public Transport, the Minister for Roads and the Minister for Ports.

Acts administered by the Minister for Public Transport

Border Railways Act 1922

This Act ratifies an agreement between Victoria and NSW about the construction, maintenance and operation of railway lines between the two States and the construction and maintenance of bridges across the Murray River.

Bus Safety Act 2009

This Act establishes a regulatory scheme for the safe operation of buses in Victoria.

Bus Services Act 1995

This Act implements a system of service contracts for certain types of bus services service standards across the State.

National Rail Corporation (Victoria) Act 1991

This Act approves and gives effect to an agreement made between the Commonwealth and Victoria, New South Wales, Queensland, and Western Australia about the establishment and operation of the National Rail Corporation Limited.

Rail Management Act 1996

This Act establishes a scheme for the management of rail infrastructure in Victoria including an access regime.

Rail Safety Act 2006

This Act provides a regulatory scheme for safe rail operations in Victoria, including the management and accreditation of rail infrastructure managers.

Tourist and Heritage Railway Act 2010

This Act establishes a scheme to support the long term operational viability of the tourist and heritage railway sector.

Transport (Compliance and Miscellaneous) Act 1983

» Part II Division 1, Subdivisions 2 and 4

» Part VI, Division 10

» Part VII, Divisions 4, 4AA, 4A

This Act is otherwise jointly administered with the Minister for Roads and the Minister for Ports.

This Act improves compliance, enforcement and regulatory safety and service standards for the rail, taxi, bus, marine and port regulation schemes across Victoria. The Act also provides for the licensing of taxis and hire cars and establishes various offences and enforcement powers relating to public transport ticketing conduct and safety.

Transport Integration Act 2010

» Part 5, Division 1

» Part 6, Divisions 1 and 2

» Part 6, Division 4 in so far as it relates to Victoria Rail Track and V/Line Corporation

» Parts 1, 2, 3, 4, 7 and 8 and Schedules 1, 2, 3, 4, 5 and 6 (these provisions are jointly and severally administered with the Minister for Ports and the Minister for Roads).

This Act establishes a contemporary policy and organisational framework to support the provision of an integrated and sustainable transport system in Victoria.

Very Fast Train (Route Investigation) Act 1989

This Act facilitates the investigation of a route for a very fast train linking Melbourne with other centres within and outside the State.

Legislation (administered as at 30 June 2012) (continued)

Acts administered by the Minister for Roads

Accident Towing Services Act 2007

This Act promotes the safe, efficient and timely provision of accident towing services through the licensing of tow trucks and accreditation of tow truck drivers and operators and managers of accident towing services.

Chattel Securities Act 1987

Part 3

(This Act is otherwise administered by the Minister for Consumer Affairs)

This Act provides for security interests in motor vehicles, trailers and vessels including registration of interests.

EastLink Project Act 2004

The Act facilitates the design, construction, operation, maintenance and management of the EastLink Freeway including the collection and enforcement of tolls.

Land Act 1958

» In so far as it relates to the land coloured green on Plans numbered LEGL./08-002 and LEGL./08-003, lodged in the Central Plan Office

» Except Division 6 of Part I, Subdivision 3 of Division 9 of Part I and section 209 (which are administered by the Assistant Treasurer)

» Except sections 201, 201A and 399 (which are jointly administered by the Assistant Treasurer and the Minister for Environment and Climate Change)

» In so far as it relates to the exercise of power relating to the leases and licences under Subdivisions 1 and 2 of Division 9 of Part I in respect of the land described as Allotment 18 of section 12 City of Port Melbourne Parish of Melbourne South being the land in Certified Plan No. 119746 lodged in the Central Plan.

» (These powers are exercised jointly and severally with the Minister for Ports) (The Act is otherwise administered by the Assistant Treasurer, the Attorney-General, the Minister for Corrections, the Minister for Environment and Climate Change and the Minister for Health).

This Act provides for the sale and occupation of unreserved Crown lands, and authorises the issue of various types of leases and licences.

Local Government Act 1989

Clauses 4 and 9(3) of Schedule 11 and section 123, in so far as it relates to the revocation of local laws made pursuant to the powers conferred by those clauses by reason of section 207 of the Act.

(This Act is otherwise administered by the Minister for Local Government and the Attorney-General)

This Act provides for matters to do with the structure, administration and operation of local government in Victoria. The provisions administered by the Minister for Roads and the Minister for Ports concern the revocation of local laws.

Major Transport Projects Facilitation Act 2009

This Act facilitates the development of major transport projects. It establishes a one stop shop which consolidates and streamlines environmental, planning and heritage approvals for major transport projects declared to be of State or regional economic, social or environmental significance. The Act also provides a suite of project delivery powers for development of major transport projects.

Melbourne City Link Act 1995

This Act supports the construction and operation of City Link and provides for the fixing, charging and collection of tolls for vehicles which use that road.

Road Management Act 2004

The Act establishes a framework for managing the road network in Victoria and facilitating coordination of uses of road reserves for roads, paths and similar purposes.

Road Safety Act 1986

This Act supports safer roads in Victoria by requiring registration of motor vehicles, licensing of drivers and establishing offences involving alcohol or other drugs and other provisions regulating the operation and use of motor vehicles.

» Part 6A is jointly administered with the Minister for Crime Prevention.

Transport (Compliance and Miscellaneous) Act 1983

This Act is severally administered with the Minister for Ports and jointly administered with the Minister for Public Transport, except:

» Part II, Division 1, Subdivisions 2 and 4; Part VI, Division 10; and Part VII, Divisions 4, 4AA and 4A (these provisions are administered by the Minister for Public Transport)

» Section 77A (this provision is jointly and severally administered by the Minister for Ports and the Minister for Roads)

» Part VI and Part VII, Division 3 (these provisions are jointly administered by the Minister for Public Transport and the Minister for Roads)

» Section 84A and Part VIIA (these provisions are jointly administered by the Minister for Ports and the Minister for Public Transport).

This Act improves compliance, enforcement and regulatory safety and service standards for the rail, taxi, bus, marine and port regulation schemes across Victoria. The Act also provides for the licensing of taxis and hire cars and establishes various offences and enforcement powers relating to public transport ticketing conduct and safety.

Transport Integration Act 2010

- Part 5, Division 2
- Part 6, Division 3
- Part 6, Division 4 in so far as it relates to Linking Melbourne Authority
- Parts 1, 2, 3, 4, 7 and 8 and Schedules 1, 2, 3, 4, 5 and 6 (these provisions are jointly and severally administered with the Minister for Ports and the Minister for Public Transport).

This Act establishes a contemporary policy and organisational framework to support the provision of an integrated and sustainable transport system in Victoria.

Acts administered by the Minister for Ports

Crown Land (Reserves) Act 1978

Only insofar as it relates to the land shown as Crown Allotment 18, section 12, City of Port Melbourne, Parish of Melbourne South, as shown on Original Plan No. 119746-A lodged in the Central Plan Office – (LA/32/0012) known as Station Pier.

(The remaining provisions are administered by the Assistant Treasurer, the Minister for Corrections, the Minister for Environment and Climate Change, the Minister for Health, the Minister for Major Projects and the Minister for Sport and Recreation).

This Act provides for reservation of Crown land for a variety of public purposes, the appointment of committees of management to manage those reserves and for leasing and licensing of reserves.

Land Act 1958

- In so far as it relates to the land coloured green on Plans numbered LEGL./08-002 and LEGL./08-003, lodged in the Central Plan Office
- Except Division 6 of Part I, Subdivision 3 of Division 9 of Part I and section 209 (which are administered by the Assistant Treasurer)
- Except sections 201, 201A and 399 (which are jointly administered by the Assistant Treasurer and the Minister for Environment and Climate Change)
- In so far as it relates to the exercise of power relating to the leases and licences under Subdivisions 1 and 2 of Division 9 of Part I in respect of the land described as Allotment 18 of section 12 City of Port Melbourne Parish of Melbourne South being the land in Certified Plan No. 119746 lodged in the Central Plan Office

(These powers are exercised jointly and severally with the Minister for Roads). (The Act is otherwise administered by the Assistant Treasurer, the Attorney-General,the Minister for Corrections, the Minister for Environment and Climate Change and the Minister for Health).

This Act makes provision for sale and occupation of unreserved Crown lands and authorises the issue of various types of leases and licences.

Marine Act 1988

This Act provides powers and functions for the Director, Transport Safety established under the Transport Integration Act to regulate marine safety. The Act also provides for registration of vessels, regulation of operation of vessels, offences involving alcohol, prevention of pollution of State waters, the adoption of certain international conventions, enforcement of various offences through the issue of marine infringement notices, and for other matters (note: this Act was renamed the *Marine (Drug, Alcohol and Pollution Control) Act 1988* on 1 July 2012 and was reduced in scope due to the commencement of the Marine Safety Act 2010).

Marine Safety Act 2010

This Act establishes a regulatory scheme for safe marine operations in Victoria.

The Act commenced on 1 July 2012, and replaced the *Marine Act 1988* as the principal marine safety statute in Victoria. The commencement triggered the renaming of the Marine Act 1988 to the *Marine (Drug, Alcohol and Pollution Control) Act 1988* to reflect its modified purpose.

Legislation (administered as at 30 June 2012) (continued)

Marine Safety Legislation (Lake Hume and Mulwala) Act 2001

This Act rationalises the application of the marine safety legislation of Victoria and New South Wales in Lake Hume and Lake Mulwala on the Murray River border which was submerged by the creation of those lakes.

Pollution of Waters by Oil and Noxious Substances Act 1986

All sections except for sections 30 and 47, which are jointly administered with the Minister for Environment and Climate Change, and sections 8, 9, 10, 11, 12, 13, 18, 19, 20, 21, 22, 23, 23B, 23D, 23E, 23G, 23J, 23K, 23L and 24E, which are administered by the Minister for Environment and Climate Change.

This Act provides for the protection of the sea and other waters by establishing a regulating scheme aimed at preventing pollution by oil and other noxious substances.

Port Management Act 1995

All sections and schedules except sections 160, 171 and 173, which are administered by the Treasurer and sections 63AA-63J (inclusive), which are administered by the Minister for Finance.

This Act establishes a regime for the management of commercial (and non commercial) ports in Victoria. This includes matters such as the appointment of port managers for local ports, a port licence fee scheme, a towing services scheme and provisions requiring the preparation of port management plans and port development strategies.

Transport (Compliance and Miscellaneous) Act 1983

This Act is severally administered with the Minister for Roads and jointly administered with the Minister for Public Transport, except:

» Part II, Division 1, Subdivisions 2 and 4; Part VI, Division 10; and Part VII, Divisions 4, 4AA and 4A (these provisions are administered by the Minister for Public Transport)

» Section 77A (this provision is jointly and severally administered by the Minister for Ports and the Minister for Roads)

» Part VI and Part VII, Division 3 (these provisions are jointly administered by the Minister for Public Transport and the Minister for Roads)

» Section 84A and Part VIIA (these provisions are jointly administered by the Minister for Ports and the Minister for Public Transport).

This Act improves compliance, enforcement and regulatory safety and service standards for the rail, taxi, bus, marine and port regulation schemes across Victoria. The Act also provides for the licensing of taxis and hire cars and establishes various offences and enforcement powers relating to public transport ticketing conduct and safety.

Transport Integration Act 2010

» Part 6, Divisions 3A and 3B

» Part 6, Division 4 in so far as it relates to the Port of Melbourne Corporation and the Victorian Regional Channels Authority

» Parts 1, 2, 3, 4, 7 and 8 and Schedules 1, 2, 3, 4, 5 and 6 (these provisions are jointly and severally administered with the Minister for Public Transport and the Minister for Roads).

This Act establishes a contemporary policy and organisational framework to support the provision of an integrated and sustainable transport system in Victoria.

Westernport (Crib Point Terminal) Act 1963

This Act facilitates the development and operation of a petroleum terminal at Crib Point by providing for new easements, and clarifying the status of agreements relating to the pipeline running from the terminal to Dandenong.

Acts passed during 2011-2012

Minister for Public Transport

» Transport Legislation Amendment (Taxi Services Reform and Other Matters) Bill 2011
Assent 5 July 2011

» Transport Legislation Amendment (Public Transport Safety) Bill 2011
Assent 22 September 2011

» Transport Legislation Amendment (Public Transport Development Authority) Bill 2011
Assent 15 November 2011

Minister for Roads

See VicRoads Annual Report 2011-12.

Minister for Ports

» Transport Legislation Amendment (Port of Hastings Development Authority) Bill 2011
Assent 23 August 2011

» Transport Legislation Amendment (Marine Safety and Other Amendments) Bill 2011
Assent 13 December 2011

» Port Management Amendment (Port of Melbourne Corporation Licence Fee) Bill 2011
Assent 6 March 2012

Whistleblowers Protection Act 2001

This report is pursuant to section 104 of the Act for the year 1 July 2011 to 30 June 2012:

DOT has publicly accessible procedures for managing disclosures:

» the number and types of disclosures made to DOT: one (allegation of corruption)

» the number of disclosures referred by DOT to the Ombudsman to determine whether they are public interest disclosures: one

» the number and types of disclosed matters referred to DOT by the Ombudsman: NIL

» the number and types of disclosed matters referred by DOT to the Ombudsman to investigate: NIL

» the number and types of disclosed matters taken over by the Ombudsman from DOT: NIL

» the number of requests by complainants to have their disclosed matters investigated by the Ombudsman due to their dissatisfaction with the way DOT is investigating the matter (the circumstances are set out in section 74 of the Act): NIL

» the number and types of disclosed matters that DOT declined to investigate: NIL

» the number and type of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation: NIL

» any recommendation made by the Ombudsman under the Act that relates to the public body: NIL.

Freedom of Information Act 1982

The *Freedom of Information Act 1982* gives the public a right of access to documents held by government departments.

There were three complaints to the Ombudsman about processing FOI requests and these were resolved informally with the applicants.

Access to documents may be obtained by submitting a written request, along with the application fee of $25.10, identifying the documents requested addressed to:

Freedom of Information Manager
Department of Transport
PO Box 2797
Melbourne VIC 3001

Telephone: (03) 9655 6380
Email: foi@transport.vic.gov.au

Alternatively, requests may be submitted online through Freedom of Information Online, located at **www.foi.vic.gov.au**

FREEDOM OF INFORMATION ACTIVITY DURING 2011-12

REQUESTS RECEIVED		REQUESTS DECIDED		PROCESSING TIME	
Member of Parliament	35	Full access	74	Average processing time	33 days
Media	57	Part access	88		
Others[1]	146	Denied Access	10	45 days or less	168
		No documents	17	46 to 90 days	45
		Transferred/withdrawn[2]	48	Over 90 days	21
		Outside FOI	3		
Total	**238**	**Total**	**240**	**Total**	**234**

INTERNAL REVIEW RECEIVED		REVIEWS DECIDED	
Member of Parliament	4	Decision confirmed	5
Media	4	Decision varied	3
Others[1]	2	Decision overturned	0
Total	**10**	**Total**	**8**

VCAT APPEALS RECEIVED		APPEALS DECIDED	
Member of Parliament	1	Withdrawn	3
Media	1	Struck out	1
Others[1]	2		0
Total	**4**	**Total**	**4**

Notes:

1. Includes solicitors, companies/organisations, private persons and lobby groups
2. Includes requests transferred, withdrawn, not processed, not proceeded with and FOI Act does not apply

Victorian Industry Participation Policy

In October 2003, the Victorian Parliament passed the *Victorian Industry Participation Policy Act 2003* which requires public bodies and departments to report on the implementation of the Victorian Industry Participation Policy (VIPP). Departments and public bodies are required to apply VIPP in all tenders over $3 million in metropolitan Melbourne and $1 million in regional Victoria.

New Projects

During 2011-12, DOT and PTV commenced nine contracts to which the VIPP applied. Their total value was $1,981,123,480.

The VIPP commitments by contractors under these contracts included:

» an overall level of local content of approximately 97 per cent

» 1,064 full time equivalent jobs

» 82 full time equivalent apprenticeships / traineeships were committed to.

In addition, the following benefits to the Victorian economy in terms of skills and technology transfer were provided by contractors under these contracts:

» ongoing staff training and skills development, including on the job training

» offer technical forums to Department staff

» opportunities and skills development for apprenticeships and traineeships in the area of civil plant operation, civil formwork and carpentry, rail track laying and rail and tram signal systems

» opportunities in the areas of project management, construction programming, design, co-ordination of construction staff

» up-skilling smaller local sub-contractors with management systems to manage larger projects

» development of direct trade skills for all facets of construction

» mentoring programs for apprentices, trainees and graduates.

Completed Projects

There were eight DOT and PTV projects completed in this period to which the VIPP applied. Their total value was $188,758,006.

The contractors under these contracts achieved the following:

» an overall level of local content of approximately 96.2 per cent

» approximately 271 full time equivalent jobs.

In addition, the following benefits to the Victorian economy in terms of skills and technology transfer were provided by contractors under these contracts:

» assists clients and subcontractors to identify and acquire relevant skills required to complete rail construction projects

» experience gained by project engineers and other employees in management of building construction and involvement with railway operations.

National Competition Policy Compliance

Infrastructure Australia

In January 2008, the Commonwealth Government announced the establishment of Infrastructure Australia, under the *Infrastructure Australia Act 2008*, to advise governments on nationally significant economic infrastructure projects in the telecommunications, energy, water and transport sectors.

Victoria lodged its priority infrastructure projects submission with Infrastructure Australia in November 2011, including the Victorian Government's transport priorities for Commonwealth funding.

During 2011-12, Victoria was also proactive in engaging with Infrastructure Australia to progress the National Ports Strategy and the National Land Freight Strategy towards endorsement through the Council of Australia Governments (COAG).

DOT will continue to work collaboratively with Infrastructure Australia and the Commonwealth Department of Infrastructure and Transport as these national policy frameworks and Victorian priority projects progress through the second half of 2012 and into 2013.

Nation Building Program

Through the Nation Building Program, the Victorian and Commonwealth Governments are jointly funding 25 projects in Victoria across the road, rail and intermodal sectors. Victoria continued delivery of these projects in 2011-12 under the terms of the bilateral Memorandum of Understanding between the Commonwealth and Victorian Governments.

National Transport Reform

Victoria is supporting the national transport reform agenda of the Standing Council on Transport and Infrastructure (SCOTI), the Transport and Infrastructure Senior Officials' Committee (TISOC) and the sub-committees of TISOC. Significant input is being provided to the development of national laws to regulate heavy vehicles and rail and marine safety, and to support the establishment and operation of national regulators, with target commencement dates of 1 January 2013.

DOT leads the rail and marine aspects of this program. Garry Liddle, the Chief Executive of VicRoads, leads the heavy vehicle elements of this productivity and efficiency work program, which includes the COAG work on Heavy Vehicle Charging and Investment Reform (HVCIR), formerly known as the COAG Road Reform Plan (CRRP). This work is examining new funding and pricing arrangements for heavy vehicles. One of the drivers of this national reform is to facilitate a more effective and efficient pricing system for heavy vehicles and funding transport infrastructure. Currently there is a disconnect between heavy vehicle revenues, funding and investment in the road network. Input is also being provided to the National Transport Commission's review of the current charging framework for heavy vehicles and developing a new Determination for Heavy Vehicles, with possible application from 1 July 2013.

Jim Betts, Secretary, Department of Transport, leads the Environment Working Group which has been established to coordinate reporting on the transport measures of the National Strategy on Energy Efficiency. The activities undertaken by this group are time-limited, with an expectation that the work being undertaken will conclude by the end of 2013.

Cross-Border Regulation and Harmonisation

At a local level, the transport portfolio has also been active in promoting consistency in cross-border regulation, by harmonising road regulations between Victoria and South Australia, through the Green Triangle Freight Transport Program. Victoria is about to embark on a similar exercise to investigate options to harmonise road regulations between Victoria and NSW in the East Gippsland region.

Through the South East Australian Transport Strategy Inc (SEATS) project, Victorian and NSW governments have agreed to contribute financially to a Cross Border Heavy Vehicle Freight Strategy, with some additional contributions coming from member organisations and member Councils of SEATS. This study will identify limitations to freight movements between NSW and Victoria, and will develop strategies to address these issues within the context of current State and Commonwealth programs and regulations.

Finally, through the cross-border Central Murray Region Transport Forum, the transport portfolio has worked collaboratively with NSW and the six constituent councils to provide technical input into a regional transport study addressing transport network efficiency in this region.

Secretary's Attestation of Risk Management

On 2 April 2012 a number of functions and associated people, which were the responsibility of DOT until this date, were transferred to a new authority – Public Transport Victoria (PTV). The following attestation statement is made for the Department of Transport only in relation to those functions that continued to be its responsibility from 2 April 2012.

"I, Gillian Miles certify that the Department of Transport, as at 30 June 2012, has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard ISO 31000:2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures consistent with the assessed level of maturity. The Audit Committee verifies this assurance and that the risk profile of the Department of Transport has been critically reviewed within the last twelve months".

Gillian Miles
Acting Secretary

PTV's Attestation of Risk Management

Public Transport Victoria's approach to risk management is built on a solid foundation, with a range of knowledge, practices and personnel having transferred to PTV from the Department of Transport. Since the commencement of its operations work has been carried out by PTV to adapt pre-existing risk management processes to suit PTV's particular circumstances.

Having appointed internal auditors and established working relationships with the risk management arm of the Victorian Managed Insurance Authority, PTV will work with those entities on further developing and tailoring its approach to risk management over the coming 12 months and beyond. This work will occur within the parameters of the Victorian Government Risk Management Framework, and will be designed to ensure consistency with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009 or its successor).

Ian Dobbs
Chair and Chief Executive

Building Act Compliance

Directions of the Minister for Finance require this Annual Report to include a statement on the extent of compliance with the building and maintenance provisions of the *Building Act 1993*, for publicly-owned buildings controlled by DOT.

DOT complies with the building and maintenance provisions of the *Building Act 1993.*

Disclosure of Major Contracts Compliance

Department of Transport

DOT has disclosed all contracts greater than $10 million in value which it entered into in 2011-12, with the exception of the following contracts:

- » Regional Rail Link Work package B Project alliance agreement, City to Maribyrnong River
- » Regional Rail Link Work package C Project alliance agreement, Footscray to Deer Park
- » Regional Rail Link Work package E Design and Construct, Deer Park to West Werribee Junction
- » Regional Rail Link Work package F Design and Construct, West Werribee Junction
- » Regional Rail Link Work package G Project alliance agreement, Train Control and Systems

These contracts were under negotiation late in the year and are being prepared for publication.

Public Transport Victoria

PTV has disclosed all contracts greater than $10 million in value which it entered into in the period 2 April 2012 to 30 June 2012.

The disclosed contracts can be viewed at **www.contracts.vic.gov.au**

Consultant Engagements

Department of Transport

Details of consultancies over $10,000

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excluding GST)	Expenditure 2011-12 (excluding GST)	Future expenditure (excluding GST)
Jaguar Consulting Pty Ltd	Provision of a preliminary benefit cost assessment on a proposal to make child restraints available on coaches subject to ADR68/00	20 July 2011	29 February 2012	$21,450	$21,450	$0
SGS Economics and Planning Pty Ltd	Melbourne Integrated Transport Model employment & population update 2011	1 August 2011	30 September 2011	$35,350	$35,350	$0
SGS Economics and Planning Pty Ltd	Construction of a number of illustration scenarios related to the development of the new Metropolitan Strategy	5 September 2011	31 October 2011	$68,873	$68,873	$0
Aurecon Australia Pty Ltd	Terrorism threat assessment and security strategy review for Southern Cross Station and transport security precinct	13 March 2012	12 June 2012	$66,990	$66,990	$0
Intelligent Risks Pty Ltd	Terrorism threat assessments and security strategy review for transport security precincts (Melbourne Central and Box Hill)	5 March 2012	4 June 2012	$57,550	$57,550	$0
Arup Pty Ltd	Preparation and delivery of a security risk assessment of the Victorian rail freight sector	5 March 2012	25 May 2012	$76,500	$76,500	$0

Details of consultancies under $10,000

No consultants were engaged in 2011-12 where the total fees payable were less than $10,000 (excl. GST).

Public Transport Victoria

No consultants were engaged in the period 2 April 2012 to 30 June 2012.

Major publications

- *Department of Transport Annual Report 2010-11*
- *You are here: a guide to developing pedestrian wayfinding*
- *The Victorian Electric Vehicle Trial: Results of 2012 Applications*
- *Security Risk Assessment for Transport Operators*
- *Track Record – issues 47, 48, 49, 50*
- *Geelong and Ballarat Railway commemorating the 150th anniversary of the opening of the railway between Geelong and Ballarat*
- *A New Regulatory Framework for Reforming Tourist and Heritage Rail Operations in Victoria*
- *Feasibility Study: Relocating motor vehicle importing and exporting to the Port of Geelong*
- *Grain Logistics Taskforce Report*
- *Boating Safety and Facilities Program: 2011-12 Program Information*
- *DOT Plan 2011 – Department of Transport corporate plan*

Additional departmental information available on request

The Directions of the Minister for Finance, pursuant to the *Financial Management Act 1994* require a range of information to be prepared in relation to the financial year.

This material is itemised below and where not published in this report, is retained by the Accountable Officer and can be made available to the relevant Ministers, Members of Parliament and the public on request, subject to the limitations of the *Freedom of Information Act 1982*.

- A statement that declarations of pecuniary interests have been duly completed by all relevant DOT officers.
- Details of shares held by senior DOT officers as nominees or held beneficially in a statutory authority or subsidiary.
- Details of publications produced by DOT about the activities of DOT and where the publications can be obtained.
- Details of changes in prices, fees, charges, rates and levies charged by DOT for its services, including services that are administered.
- Details of any major external reviews carried out in respect of the operation of DOT.
- Details of any other major research and development activities undertaken by DOT that are not otherwise covered either in the report of operations or in a document which contains the financial statement and report of operations.
- Details of overseas visits undertaken by DOT, including a summary of the objectives and outcomes of each visit.
- Details of major promotional, public relations and marketing activities undertaken by DOT to develop community awareness of the services provided by DOT.
- Details of assessments and measures undertaken to improve the occupational health and safety of DOT employees, not otherwise detailed in the report of operations.
- A general statement on industrial relations within DOT and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations.
- A list of major committees sponsored by DOT, the purpose of each committee and the extent to which the purpose has been achieved.
- Details of all consultancies and contractors including:
  - consultants/contractors engaged
  - services provided
  - expenditure committed to for each engagement.

Requests for information should be directed to:

James Lavery
Executive Director
Regulation, Governance and Law Division
Department of Transport
PO Box 2797
Melbourne, Victoria 3001

Telephone: 03 9095 4469
Email: james.lavery@transport.vic.gov.au

For PTV information (post 2 April 2012) requests should be directed to:

Joshua Miller
Director
Governance and Legal
Public Transport Victoria
PO Box 4724,
Melbourne, Victoria 3001

Telephone: (03) 9027 4755
Email: joshua.miller@ptv.vic.gov.au

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Public Transport Victoria

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Telephone: 1800 800 007

Postal address
PO Box 4724
Melbourne
Victoria Australia 3001

Disclosure Index

Disclosure Index

The Annual Report of the Department of Transport is prepared in accordance with all relevant Victorian legislation and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

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